

## **Roundtable on Sustainable Palm Oil Certification R S P O**

### **[✓] ASA 1.4 & Recertification**

Name of Management Organization : **Bebunga POM – PT Langgeng Muaramakmur Subsidiary of Sime Darby Plantation Berhad**  
 Plantation Name : **Bebunga Estate, Bakau Estate and Sungai Cengal Estate**  
 Location : **Binturung Village, Pamukan Utara Sub District, Kotabaru District, Kalimantan Selatan Province, Indonesia**  
 Certificate Code : **MUTU-RSPO/014**  
 Date of Initial Registration : **16 March 2012**  
 Date of Last Issue : **30 November 2022**      Date of License Issue : **16 December 2022**  
 Date of Certificate Expiry : **29 November 2027**      Date of License Expiry : **29 November 2023**  
 Note : License expired in 15 March 2022, however due to Pandemic Covid-19 situation the license extended until 15 December 2022

Assessment	Assessment Date	PT. Mutuagung Lestari Auditor	Reviewed by	Approved by
ASA-1.4 (Remote Audit)	18 to 19 March 2021	Hasiholan Sihombing (Lead Auditor), Afiffuddin, Bayu Yogatama and Samsul Rijal	Harso Yuli Antena	Leonada
ASA-1.4 & RC-2 (Onsite Audit)	22 to 26 August 2022	Haikal Ramadhan Kharismansyah (Lead Auditor), Arief Tajalli, Naila Karima and Kiki Fadli		

Assessment	Approved by MUTUAGUNG LESTARI on:
ASA-1.4 & RC-2	30 November 2022

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Figure 1. Location Map of PT Langgeng Muaramakmur – Bebunga POM

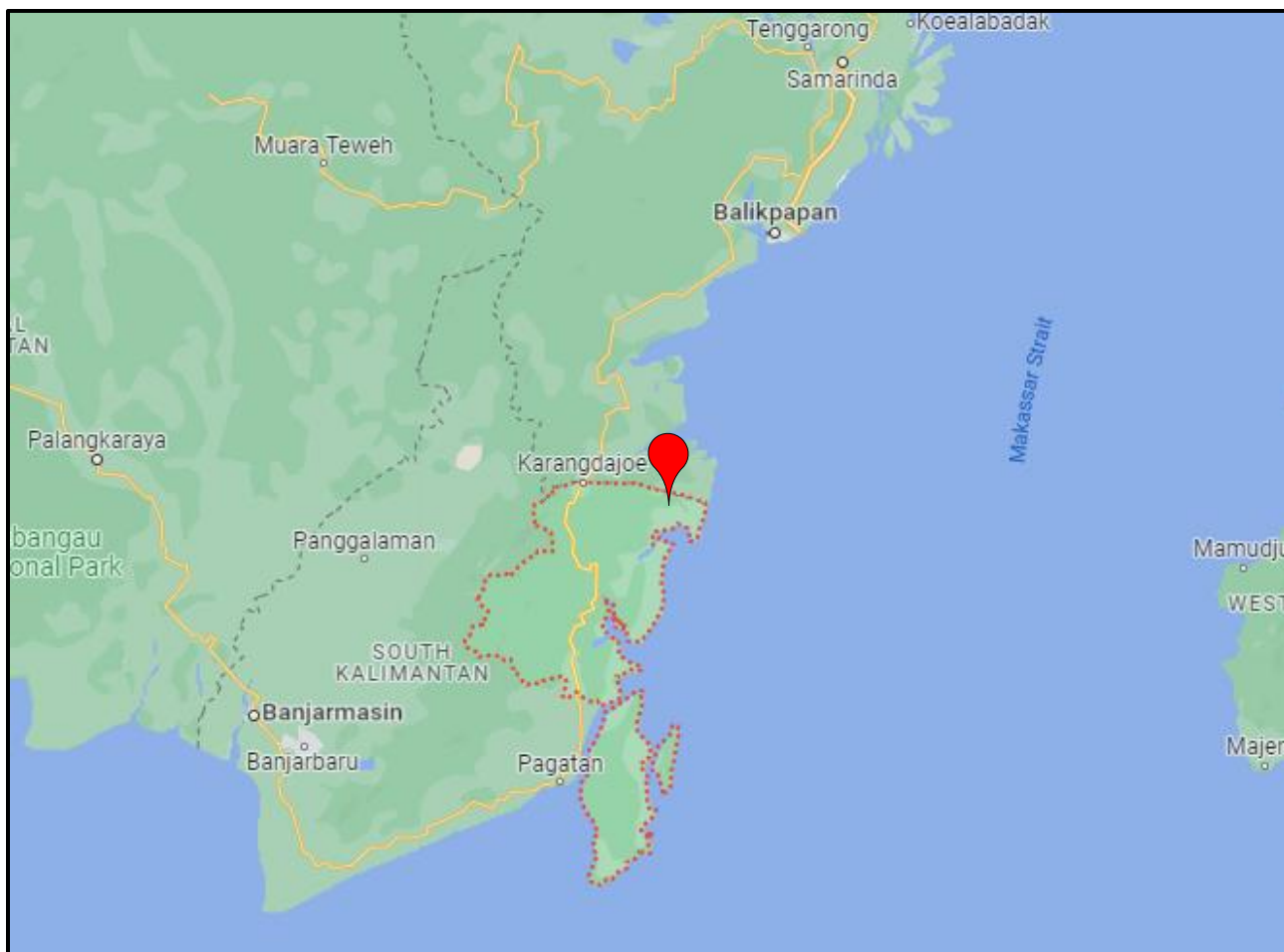
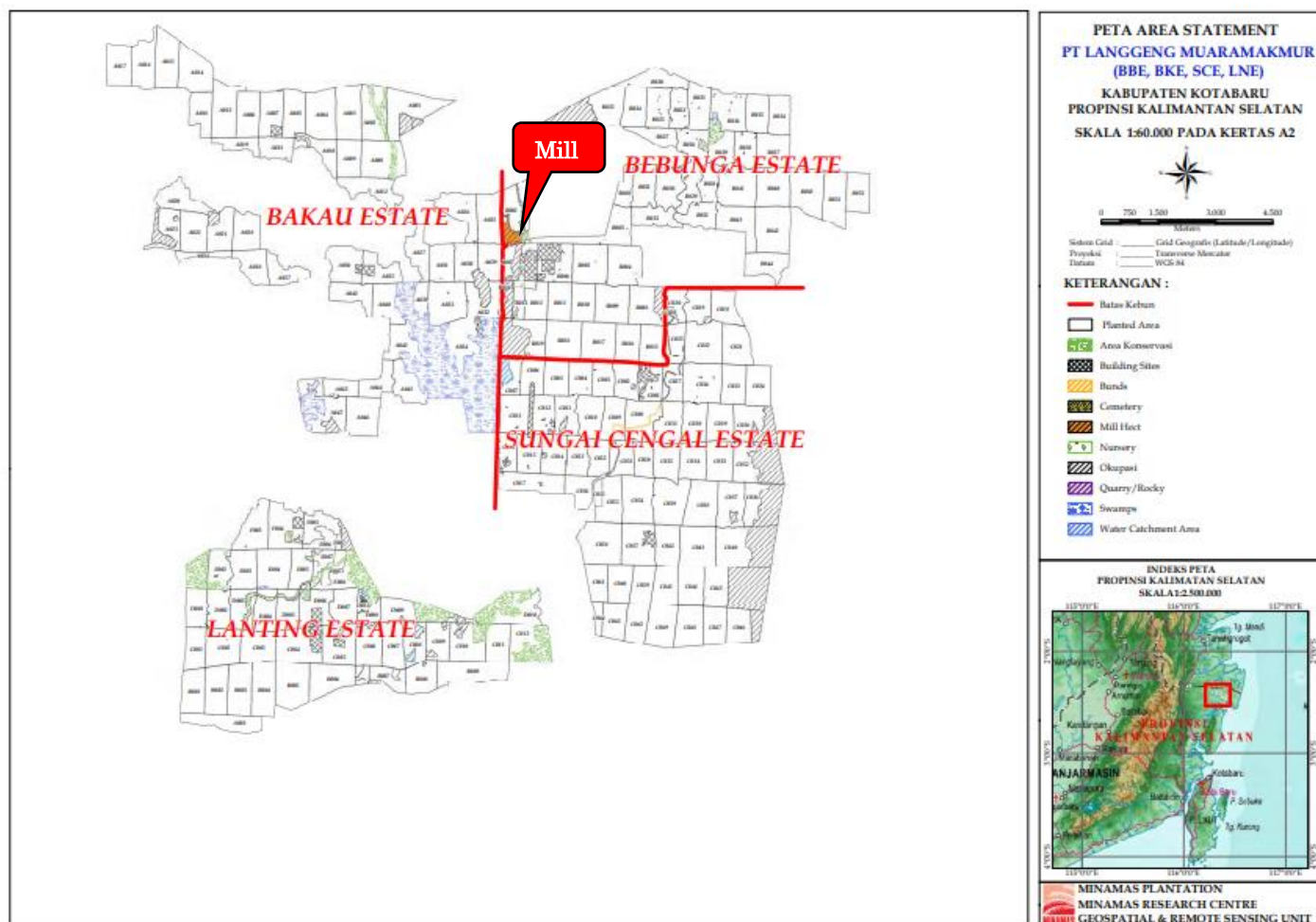


Figure 2. Operational Map of PT Langgeng Muaramakmur – Bebunga POM



\*Lanting Estate is excluded of certification scope.

### Abbreviations Used

BBE	:	Bebunga Estate
BBF	:	Bebunga Factory
BKE	:	Bakau Estate
BMS	:	Block Manuring System
BPJS	:	<i>Badan Penyelenggara Jaminan Sosial (Social Security Agency)</i>
BPN	:	National Land Agency
BSK	:	Bina Swadaya Karya (cooperative)
BSS	:	Block Spraying System
C1R2	:	Cutter, Carrier, and Picker
CB	:	Certification Body
CEO	:	Chief Executive Officer
CLA	:	Collective <i>Labour</i> Agreement
COBC	:	Code of Business Conduct
CPO	:	Crude Palm Oil
CSR	:	Corporate Social Responsibility
CV	:	<i>Commanditaire Vennootschap</i>
EFB	:	Empty Fruit Bunch
EHS	:	Environment Health and Safety
FFB	:	Fresh Fruit Bunch
FR	:	Frequency Rate
FSPMP	:	<i>Federasi Serikat Pekerja Minamas Plantation</i>
GHG	:	Green House Gases
GM	:	General Manager
HCV	:	High Conservation Value
HGU	:	<i>Hak Guna Usaha / Land Use Permit</i>
HIRAC	:	Hazard Identification Risk Assessment & Control
HPO	:	Head Plantation Operational
HRM	:	Human Resource Management
IDR	:	Indonesian Rupiah
IOM	:	Internal Office Memo
IPM	:	Integrated Pest Management
ISO	:	International Organization for Standardization
ISPO	:	Indonesian Sustainable Palm Oil
Jamsostek	:	Jaminan Sosial Tenaga Kerja (employees' social security)
KER	:	Kernel Extraction Rendement
KKPA	:	<i>Koperasi Kredit Primer Anggota (Cooperative Credit Scheme)</i>
KSP	:	Kalimantan Selatan Pamukan
KTU	:	<i>Kepala Tata Usaha (Head of Administration)</i>
LC	:	Land Clearing
LKS	:	<i>Lembaga Kerjasama (Cooperation Institution)</i>
LKUP	:	Laporan Kegiatan Usaha Perkebunan (plantation activity business report)
LTA	:	Lost Time Accident
LUCA	:	Land Use Change Analysis
MRC	:	Minamas Research Center

MT	:	Metrik Ton
MUSREMBANG	:	<i>Musyawarah Perencanaan Pembangunan Desa</i>
NGO	:	Non-Government Organization
NPV	:	<i>Nuclear Polyhedrosis Virus</i>
OER	:	Oil Extraction Rendement
OFI	:	Opportunity for Improvement
OHS	:	Occupational Health & Safety
OSH	:	Occupational Safety & Health
P2K3	:	<i>Panitia Pelaksana Kesehatan dan Keselamatan Kerja</i> (OHS Guiding Committee)
PIC	:	Person In Charge
PJK3	:	<i>Perusahaan Jasa Keselamatan dan Kesehatan Kerja</i> (Occupational Safety and Health Service Company)
PK	:	Palm Kernel
PKB	:	<i>Perjanjian Kerja Bersama</i> (Collective Labour Agreement)
PKO	:	Palm Kernel Oil
PKWT	:	<i>Perjanjian Kerja Waktu Tertentu</i> (Temporary Appointment Work Agreement)
PKWTT	:	<i>Perjanjian Kerja Waktu Tidak Tertentu</i> (Indefinite Contract Agreement)
POM	:	Palm Oil Mill
POME	:	Palm Oil Mill Effluent
PPE	:	personal protective equipment
PSD	:	Plantation and Services Department
PSQM	:	Plantation Sustainability Quality Management
PT LMR	:	PT Langgeng Muaramakmur
QC	:	Quality Control
RaCP	:	Remediation and Compensation Procedure
RKL – RPL	:	<i>Rencana Kelola Lingkungan / Rencana Pemantauan Lingkungan</i> (Environmental Management Plan / Environmental Monitoring Plan)
SCCS	:	Supply Chain Certification System
SCE	:	Sungai Cengal Estate
SDP	:	Sime Darby Plantation
SGM	:	Senior General Manager
SIA	:	Social Impact Assessment
SKU	:	<i>Syarat Kerja Umum</i>
SOP	:	Standard Operational Procedure
SOU	:	Strategic Operation Unit
SPK	:	<i>Surat Perjanjian Kerja</i> (Work Agreement)
SR	:	Severity Rate
UHL	:	<i>Upah Hidup Layak</i> (Decent Living Wages)
UKL - UPL	:	<i>Upaya Kelola Lingkungan / Upaya Pemantauan Lingkungan</i> (Environmental Management Efforts / Environmental Monitoring Efforts)
UMK	:	<i>Upah Minimum Kabupaten</i> (District Minimum Wage)
VCOBC	:	Vendor Code of Business Conduct
VOPs	:	Voluntary Oil Palm Seedling
WLTk	:	<i>Wajib Lapor Ketenagakerjaan</i>
WTP	:	Water treatment Plant
WWTP	:	Waste Water Treatment Plan

1.0	<b>SCOPE OF THE CERTIFICATION ASSESSMENT</b>		
1.1	<b>Assessment Standard Used</b>		
		<ul style="list-style-type: none"> <li>Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020.</li> <li>RSPO Certification Systems for Principles and Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020.</li> </ul>	
1.2	<b>Organisation Information</b>		
1.2.1	Organization name listed in the certificate	PT Langgeng Muaramakmur, subsidiary of Sime Darby Plantations bhd	
1.2.2	Contact person	Alegandran Maniam	
1.2.3	Organisation address and site address	<b>RSPO registered company:</b> No 2, Plantation Tower Jalan PJU 1A/7 Petaling Jaya, Malaysia 47301  <b>Liaison Office:</b> The Plaza Lt. 36, Jl MH Thamrin Kav. 28-30 Jakarta 10350	
1.2.4	Telephone	+62-21-29926000	
1.2.5	Fax	+62-21-29922686	
1.2.6	E-mail	<a href="mailto:alagendran.maniam@sime-darbyplantation.com">alagendran.maniam@sime-darbyplantation.com</a>	
1.2.7	Web page address	<a href="http://www.sime-darbyplantation.com/">http://www.sime-darbyplantation.com/</a>	
1.2.8	Management Representative who completed the application for certification	Alagendran Maniam (Head of Sustainability and Quality Management Sime Darby Plantation Berhad)	
1.2.9	Registered as RSPO member	1-0008-04-000-00 – 6 September 2004	
1.3	<b>Type of Assessment</b>		
1.3.1	Scope of Assessment and Number of Management Unit	One (1) Palm Oil Mill and three (3) supply bases: Bebunga POM, Bebunga Estate, Bakau Estate, Sungai Cengal Estate <i>There is a reduction in the scope of certification from the previous assessment because the area of the Lanting Estate is still within one HGU</i>	
1.3.2	Type of certificate	Single	
1.4	<b>Locations of Mill and Plantation</b>		
1.4.1	<b>Location of Mill</b>		
	<b>Name of Mill</b>	<b>Location</b>	<b>Coordinate</b>
			<b>Latitude</b>
			<b>Longitude</b>
	Bebunga POM	Binturung Village, Pamukan Utara Sub District, Kotabaru District, Kalimantan Selatan Province, Indonesia	S 02° 22' 25"
			E 116° 19' 47"



1.4.2	Location of Certification Scope of Supply Base				
	Name of Supply Base	Location	Coordinate		
			Latitude	Longitude	
	Bebunga Estate	Binturung Village, Pamukan Utara Sub District, Kotabaru District, Kalimantan Selatan Province, Indonesia	S 02° 23' 01"	E 116° 20' 04"	
	Bakau Estate	Binturung Village, Pamukan Utara Sub District, Kotabaru District, Kalimantan Selatan Province, Indonesia	S 02° 25' 14"	E 116° 19' 42"	
Sungai Cengal Estate	Binturung Village, Pamukan Utara Sub District, Kotabaru District, Kalimantan Selatan Province, Indonesia	S 02° 24' 22"	E 116° 21' 47"		
1.5	Description of Area Statement				
1.5.1	Tenure		HGU: 16,990.75 Ha (3,244.65 Ha is excluded from this scope-Lanting Estate) *  Total scope of this certificate is 13,746.10 Ha		
	• State				
	• Community		- ha		
1.5.2	Area Statement				
		Bebunga Estate	Bakau Estate	Sungai Cengal Estate	Total (ha)
	Total area	3,612.08	5,159.82	4,974.20	13,746.10
	Mature area	2,510.07	2,687.34	2,973.12	8,170.53
	Immature area + LC for Replanting	474.46	539.91	1,270.39	2,284.76
	Emplacement	107.98	28.28	31.63	167.89
	Mill	32.42	-	-	32.42
	Road, bridges, trenches	132.08	118.00	-	250.08
	HCV	135.67	561.91	327.22	1,024.80
	Swamp, hilly area, river	80.32	597.57	41.32	719.21
	Nursery	21.49	-	-	21.49
	*Non-permanent enclave (reserve area)	30.61	201.80	-	232.41
	Other (Bulking, Air strip)	-	-	16.42	16.42
	Enclave (Permanent)	86.98	425.01	314.1	826.09
	*Community area inside HGU which not willing to compensate				
1.6	Planting Year and Cycles				
1.6.1	Age profile of planting year				
	Planting Year	Hectarage (ha)			Total (ha)
		Bebunga Estate	Bakau Estate	Sungai Cengal Estate	
	1994	117.11	-	-	117.11
	1995	246.17	-	-	246.17



	1996	152.55	250.56	216.51	619.62		
	1997	578.23	926.85	71.80	1,576.88		
	1998	77.20	69.33	100.54	247.07		
	1999	-	-	164.34	164.34		
	2000	-	-	289.27	289.27		
	2005	-	-	319.29	319.29		
	2006	-	-	180.02	180.02		
	2007	-	-	410.78	410.78		
	2013	-	109.91	180.10	290.01		
	2014	197.07	305.86	149.13	652.06		
	2015	212.58	276.69	165.91	655.18		
	2016	394.52	369.06	424.66	1,188.24		
	2017	267.66	214.35	228.57	710.58		
	2018	266.98	164.73	72.20	503.91		
	Sub Total Mature Area	2,510.07	2,687.34	2,973.12	8,170.53		
	2019	122.82	170.84	317.21	610.87		
	2020	165.02	156.00	-	321.02		
	2021	186.62	-	658.80	845.42		
	2022	-	213.07	294.38	507.00		
	Sub Total Immature Area	474.46	539.91	1,270.39	2,284.76		
TOTAL	2,984.53	3,227.25	4,243.51	10,455.29			
1.6.2	New Planting area after January 2010			- ha			
1.6.3	Planting Cycle			2 <sup>nd</sup> Cycle			
1.7	Description of Mill and Supply Base						
1.7.1	Description of Mill						
	Name of Mill	Capacity (tonnes/ hour)	FFB Processed (tonnes/year)	CPO		Palm Kernel	
				Out put (tonnes)	Extraction (%)	Out put (tonnes)	Extraction (%)
				Bebunga60258,259.7953,363.0720.6611,593.324.49			
	*Production data source from June 2020 to July 2022						
1.7.2	Description of Certification Scope of Supply Base						
	Name of Estate	Total Area (ha)	Production Area (ha)	FFB (ton/year)	Yield (ton/ha/year)	Supplied to Mill	
						FFB (ton/year)	%
	Bebunga Estate	3,612.08	2,510.07	85,158.92	14.67	85,158.92	100
	Bakau Estate	5,159.82	2,687.34	76,841.81	14.17	76,841.81	100
	Sungai Cengal Estate	4,974.20	2,973.12	89,352.30	13.91	89,352.30	100
	TOTAL	13,746.10	8,170.53	251,353.03	14.24	251,353.03	100
	*Production data source from June 2020 to July 2022						
1.7.3	FFB description from other source						
	Name of sources/Organization (RSPO certified / non-certified)	Type of Organization	Number of Smallholders	Production Area (ha)	Supplied to Mill FFB (ton/year)		

	KKPA Sungai Cengal (RSPO Certified)	PT Laguna Mandiri, Sime Darby Plantation Berhad	165	263.74	6,701.40			
	TOTAL							
	*Production data source from June 2020 to July 2022							
1.7.4	Product categories		FFB, CPO, PK					
1.8	Tonnage of Product							
1.8.1	Past Annual Claim Certified Product		Last Year Projected Certified Volume (Ton) (June 16, 2020 – December 15, 2022		Actual Certified Volume from June 2020 – July 2022 (Ton)			
	FFB Processed		280,760		258,054.43			
	CPO Production		60,282		54,356.06			
	Palm Kernel (PK) Production		13,122		12,628.50			
1.8.2	Product selling							
	Type of selling product		Actual selling product for last year (June 2020 – July 2022) (MT)					
	CSPO sold as RSPO certified product		594.90					
	CSPK sold as RSPO certified product		11,672.20					
	CSPO sold under another scheme		0					
	CSPK sold under another scheme		0					
	CSPO sold as conventional		50,485.30					
	CSPK sold as conventional		0					
1.8.3	Estimate of Certified FFB Claim							
	Name of Estates	Total Area (ha)	Production Area (ha)	FFB (tones/year)	Yield (tones/ha/year)			
	Bebunga Estate	3,612.08	2,510.07	43,000	17.13			
	Bakau Estate	5,159.82	2,687.34	36,800	13.69			
	Sungai Cengal Estate	4,974.20	2,973.12	35,400	11.91			
	TOTAL	13,746.10	8,170.53	115,200	14.10			
	*Projected FFB production for 12 months of certificate							
1.8.4	Estimate of Certified Palm Product Claim							
	Name of Mill	Capacity (tones/ hour)	FFB Processed (tones/year)	CPO Out put (tones)	Extraction (%)	Palm Kernel Out put (tones)	Extraction (%)	Supply Chain Module
	Bebunga	60	115,200	24,200	21.00	5,200	4.50	IP
	*Projected CSPO and CSPK production for 12 months of certificate							
1.9	Other Certifications							
	ISO 9001:2008			-				
	ISO 14001: 2004			-				
	OHSAS 18001:2007			-				
	ISCC			-				

	Others					
1.10	Time Bound Plan					
1.10.1	Time Bound Plan for Other Management Units					
	Management Unit		Estate (Supply Base)	Time Bound Plan	Location	Status
	Mill	Time bound				
	INDONESIA					
	Sekunzir. PT. Indotruba Tengah	2010	Sekunzir	2010	Seruyan and West Kotawaringin District – Central Kalimantan	Certified
			Seruyan	2010		Certified
	Manggala. PT. Tunggal Mitra Plantations	2010	Manggala 1	2010	Rokan Hilir District – Riau	Certified
			Manggala 2	2010		Certified
			Manggala 3	2010		Certified
	Bukit Ajong PT. Sime Indo Agro	2010	West	2010	Sanggau District –West Kalimantan	Certified
			West (HGU on process)	2023		-
			East	2010		Certified
			East (HGU on process)	2023		-
			East Plasma	2010		Certified
			West Plasma	2010		Certified
			Sei Mawang	2023		-
	Teluk Siak. PT. Aneka Inti Persada	2011	Teluk Siak	2011	Siak District – Riau	Certified
			Pinang Sebatang	2011		Certified
			Aneka Persada	2011		Certified
	Sungai Pinang. PT. Bina Sains Cemerlang	2012	Sungai Pinang	2012	Musi Rawas District – South Sumatera	Certified
			Sungai Pinang (HGU on process)	2023		-
			Bukit Pinang	2012		Certified
			Bukit Pinang (HGU on process)	2023		-
Pematang. PT. Teguh Sempurna	2011	Pematang	2011	Seruyan and East Kotawaringin District – Central Kalimantan	Certified	
		Kawan Batu	2011		Certified	
		Hatan Tiring	2011		Certified	
		Batang Garing	2011		Certified	
Alur Dumai. PT Lahan Tani Sakti	2011	Alur Dumai	2011	Rokan Hilir District – Riau	Certified	
Teluk Bakau. PT. Bhumireksa Nusa Sejati	2011	Teluk Bakau	2011	Indra Giri Hilir District – Riau	Certified	
		Nusa Perkasa	2011		Certified	

		Nusa Lestari	2011		Certified
Mandah PT. Bhumireksa Nusa Sejati	2014	Mandah	2011	Indra Giri Hilir District – Riau	Certified
		Rotan Semelur	2011		Certified
Angsana. PT Ladangrumpun Suburabadi	2011	Angsana	2011	Tanah Bumbu District – South Kalimantan	Certified
		Gunung Sari	2011		Certified
		Pantai Bonati	2011		Certified
		KKPA-1 PT.SHE	2013		Certified
		KKPA-4 PT.SHE	2013		Certified
Mustika. PT Sajang Heulang	2013	Mustika	2013	Tanah Bumbu District – South Kalimantan	Certified
		KKPA-2 PT.SHE	2013		Certified
		KKPA-3 PT.SHE	2013		Certified
		KKPA-5 PT.SHE	2013		Certified
		SAP 1	2023		-
Gunung Aru. PT Bersama Sejahtera Sakti	2011	Gunung Aru	2011	Kotabaru District – South Kalimantan	Certified
		Gunung Kemas	2011		Certified
		Laut Timur	2011		Certified
		Pantai Timur	2011		Certified
		KKPA BSS	2023		-
Bebunga. PT. Langgeng Muaramakmur	2011	Bebunga	2011	Kotabaru District – South Kalimantan	Certified
		Bakau	2011		Certified
		Sungai Cengal	2011		Certified
Sukamandang PT Kridatama Lancar	2011	Sukamandang	2011	Seruyan and East Kotawaringin District – Central Kalimantan	Certified
		Sapiri	2011		Certified
		Barasdanum	2011		Certified
		Kuala Kuayan	2011		Certified
Pondok Labu. PT Paripurna Swakarsa	2012	Binturung	2012	Kotabaru District – South Kalimantan	Certified
		Pondok Labu	2012		Certified
		Rampa	2012		Certified
		Sesulung	2012		Certified
Rantau. PT Laguna Mandiri	2012	Rantau	2012	Kotabaru District – South Kalimantan	Certified
		Matalok	2012		Certified
		KKPA Sungai Cengal (1,382 SH)	2014		Certified
		Selabak (PT SAA)	2012		Certified
		Randi (PT SAA)	2012		Certified

			Sangkoh (PT SAA)	2012		Certified
			Lanting (PT LMR)	2012		Certified
Betung. PT Laguna Mandiri	2014		Betung	2012	Kotabaru District – South Kalimantan	Certified
			Sekayu	2012		Certified
Ungkaya. PT Tamaco Graha Krida	2012		Ungkaya	2012	Morowali District – Sulawesi Tengah	Certified
Ladang Panjang. PT Bahari Gembira Ria	2012		Ladang Panjang	2012	Muaro Jambi District - Jambi	Certified
			Ladang Panjang (HGU on process)	2023		-
Rantau Panjang. PT Guthrie Pecconina Indonesia	2012		Rantau Panjang	2012	Musi Banyuasin District – South Sumatera	Certified
			Rantau Panjang (HGU on process)	2023		-
			Bumi Ayu	2012		Certified
			Karang Ringin	2012		Certified
			Napal	2012		Certified
			Napal (HGU on process)	2023		-
			Mangun Jaya	2012		Certified
			Mangun Jaya (HGU on process)	2023		-
			Sungai Jernih	2023		-
			GPI KKPA	2023		-
Blang Simpo. PT Perkasa Subur Sakti	2013		Tamiang (PT PPP)	2013	Aceh Tamiang and East Aceh District – Aceh	Certified
			Batang Ara (PT PSK)	2013		Certified
			Blang Simpo-01	2013		Certified
			Blang Simpo-02	2013		Certified
Lembiru. PT Sandika Nata Palma	2014		Lembiru	2014	Ketapang District – West Kalimantan	Certified
			Awatan	2014		Certified
			Karya Palma	2023		-
			KKPA SNP	2023		-
			Pelanjau (PT BAL)	2019		Certified
			Sungai Putih (PT BAL)	2023		-
			Beturus (PT BAL)	2023		-
			KKPA BAL	2023		-
MALAYSIA						
Sg Dingin SOU 1	2010		Bukit Hijau	2010	Kerangan, Kedah	Certified
			Padang Buluh	2010		Certified

			Bukit Selangor	2010		Certified
			Sg Dingin	2010		Certified
			Jentayu	2010		Certified
			Anak Kuli	2010		Certified
			Somme	2010		Certified
	Chersonese SOU 2	2011	Chersonese	2011	Kuala Kurau, Perak	Certified
			Holyrood	2011		Certified
			Kalumpong	2011		Certified
			Tali Ayer	2011		Certified
	Elphil SOU 3	2011	Kinta Kellas	2011	Sg Siput, Perak	Certified
			Elphil	2011		Certified
			Kamuning	2011		Certified
	Flemington SOU 4	2011	Flemington	2011	Teluk Intan, Perak	Certified
			Bagan Datoh	2011		Certified
			Sabak Bernam	2011		Certified
			Sg Samak	2011		Certified
	Seri Intan SOU 5	2011	Seri Intan (Main Division)	2011	Teluk Intan, Perak	Certified
			Sabrang	2011		Certified
			Sg Wangi	2011		Certified
			Sogomana (Main Division)	2011		Certified
	Selaba SOU 5	2011	Seri Intan (Selaba Division)	2011	Teluk Intan, Perak	Certified
			Sogomana (Cashwood & Sg Beruas Division)	2011		Certified
			Bikam	2011		Certified
			Clumy	2011		Certified
	Tennamaram SOU 6	2011	Tennamaram	2011	Bestari Jaya, Selangor	Certified
			Sungei Buloh	2011		Certified
			Bkt Talang	2011		Certified
	Bkt Kerayong SOU 7	2011	Bkt Kerayong	2011	Kapar, Selangor	Certified
			Bkt Cherakah	2011		Certified
			Bkt Rajah	2011		Certified
			Bkt Lagong	2011		Certified
			Elmina	2011		Certified
	East	2010	East	2010	Carey Island, Selangor	Certified

SOU 8		Dusun Durian	2010		Certified
		Sepang	2010		Certified
West - SOU 9	2010	West	2010	Carey Island, Selangor	Certified
Bukit Putri - SOU 10	2011	Bukit Putri	2011	Raub, Pahang	Certified
Kerdau SOU 11	2011	Kerdau	2011	Temerloh, Pahang	Certified
		Jentar	2011		Certified
		Mentakab	2011		Certified
		Sg Mai	2011		Certified
		Chenor	2011		Certified
Jabor - SOU 12	2011	Jabor	2011	Kemaman, Trengganu	Certified
Labu SOU 13	2011	Labu	2011	Nilai, Negeri Sembilan	Certified
		New Labu	2011		Certified
		Bradwall	2011		Certified
Tanah Merah SOU 14	2010	Tanah Merah	2010	Port Dickson, Negeri Sembilan	Certified
		Sua Betong	2010		Certified
		Bukit Pelandok	2010		Certified
Sua Betong SOU 15	2014	Salak	2014	Port Dickson, Negeri Sembilan	Certified
		Sengkang	2014		Certified
		Siliau	2014		Certified
		PD Lukut	2014		Certified
		Sungai Baru	2014		Certified
		Tampin Linggi	2014		Certified
Kok Foh SOU 16	2011	Bukit Pilah	2011	Bahau, Negeri Sembilan	Certified
		Kok Foh	2011		Certified
		Muar River	2011		Certified
		St. Helier	2011		Certified
		Pertang	2011		Certified
		Sg Gemas	2011		Certified
		Sg Sebalang	2011		Certified
		Sg Senarut	2011		Certified
Kempas SOU 17	2010	Kempas	2010	Jasin, Melaka	Certified
		Kemuning	2010		Certified
		Tangkah	2010		Certified
Diamond Jubilee SOU 18	2011	Bukit Asahan	2011	Jasin, Melaka	Certified
		Diamond Jubilee	2011		Certified



			Serkam	2011		Certified
Pagoh SOU 19	2014		Pagoh	2014	Muar, Johor	Certified
			Lanadron	2014		Certified
			Pengkalan Bukit	2014		Certified
			Welch	2014		Certified
Chaah SOU 20	2010		North Labis	2010	Chaah, Johor	Certified
			Cha'ah	2010		Certified
			Sg Simpang Kiri	2010		Certified
Gunung Mas SOU 21	2010		Gunung Mas	2010	Kluang, Johor	Certified
			Kempas Klebang	2010		Certified
			Bukit Paloh	2010		Certified
			Yong Peng	2010		Certified
Bukit Benut SOU 22	2011		Bukit Benut	2011	Kluang, Johor	Certified
			CEP Niyor	2011		Certified
			Lambak / Elaeis	2011		Certified
Ulu Remis SOU 23	2011		Pekan	2011	Layang-layang, Johor	Certified
			Sembrong	2011		Certified
			Tun Dr. Ismail	2011		Certified
			Ulu Remis	2011		Certified
			Bukit Badak	2011		Certified
			Cenas	2011		Certified
Hadapan SOU 24	2011		CEP Rengam	2011	Layang-layang, Johor	Certified
			Kulai	2011		Certified
			Layang	2011		Certified
			Seri Pulai	2011		Certified
Sandakan Bay SOU 26	2008		Tun Tan Siew Sin	2008	Sandakan, Sabah	Certified
			Tunku	2008		Certified
			Tigowis	2008		Certified
			Sentosa	2008		Certified
			Saguliud	2008		Certified
Melalap SOU 27	2011		Melalap	2011	Tenom, Sabah	Certified
			Sapong	2011		Certified
Binuang SOU 28	2009		Tingkeyu	2009	Kunak, Sabah	Certified
			Sungang	2009		Certified
			Jelata Bumi	2009		Certified

			Binuang	2009		Certified
Giram SOU 29	2009		Mostyn	2009	Kunak, Sabah	Certified
			Giram	2009		Certified
Merotai SOU 30	2009		Imam	2009	Tawau, Sabah	Certified
			Merotai	2009		Certified
			Table	2009		Certified
			Tiger	2009		Certified
Lavang SOU 31	2011		Belian	2011	Bintulu, Serawak	Certified
			Kelida	2011		Certified
			Lavang	2011		Certified
			Lavang (SE)	2011		Certified
			Rasan	2011		Certified
			Chartquest	2011		Certified
			Dulang	2011		Certified
			Peroh	2011		Certified
			Pekaka	2011		Certified
			Ruai	2011		Certified
Rajawali SOU 32	2011		Rajawali	2011	Bintulu, Serawak	Certified
			Samudera	2011		Certified
			Semarak	2011		Certified
			Bayu	2011		Certified
Derawan SOU 33	2011		Takau	2011	Bintulu, Serawak	Certified
			Damai	2011		Certified
			Derawan	2011		Certified
			Sahua	2011		Certified
P & G (New Britain Palm Oil)						
Poliamba	2012		Kara	2012	Keviang, New Ireland Province, P&G	Certified
			West Coast	2012		Certified
			Nalik	2012		Certified
			Noatsi	2012		Certified
			Madak	2012		Certified
			North (Smallholders)	2012		Certified
			South (Smallholders)	2012		Certified
			West (Smallholders)	2012		Certified

	Tetere	2011	Tetere	2011	Gudaicanal, Solomon Island	Certified
			Ngalimbiu	2011		Certified
			Mbalisuna	2011		Certified
			West Zone (Smallholders)	2011		Certified
			Central Zone (Smallholders)	2011		Certified
			MBA East (Smallholders)	2011		Certified
			MBA West (Smallholders)	2011		Certified
	Sangara, Sambiripa & Mamba	2013	Sangara	2013	Higaturu, Popondetta, Oro, P&G	Certified
			Sumberipa	2013		Certified
			Ambogo	2013		Certified
			Embi	2013		Certified
			Mamba	2013		Certified
			Sorovi (smallholders)	2013		Certified
			Igora (smallholders)	2013		Certified
			Saiho (smallholders)	2013		Certified
			Aeka (smallholders)	2013		Certified
			Ilimo (smallholders)	2013		Certified
	Gusap	2010	Dumpu	2010	Madang, P&G	Certified
			Surinam	2010		Certified
			Jephcott	2010		Certified
			Gusap	2010		Certified
			Paddox	2010		Certified
			Ngaru	2010		Certified
			Madang VOP (smallholders)	2010		Certified
			Morobe VOP (smallholders)	2010		Certified
	Hagita	2013	Giligili	2013	Milne Bay, P&G	Certified
			Hagita	2013		Certified
			Waigani	2013		Certified
			Sagarai	2013		Certified
			Padipadi	2013		Certified
			Mariawatte	2013		Certified
			East Gurney	2013		Certified

	Mosa Kumbango Kapiura Namumdo Waraston		West Gurney	2013		Certified
			East Sagarai	2013		Certified
			West Sagarai	2013		Certified
		2008	Bebere	2008	West New Britain	Certified
			Kumbango	2008		Certified
			Togulo	2008		Certified
			Dami	2008		Certified
			Waisisi	2008		Certified
			Kautu	2008		Certified
			Karatusu	2008		Certified
			Moroa	2008		Certified
			Bilomi	2008		Certified
			Loata	2008		Certified
			Haella	2008		Certified
			Garu	2008		Certified
			Daliavu	2008		Certified
			Sapuri	2008		Certified
			Malilimi	2008		Certified
			Rigula	2008		Certified
			Nomundo	2008		Certified
			Navarai / Karato ME	2008		Certified
			Volupai . Lotomgam / Natupi / Goruru	2008		Certified
			Lolokoru	2008		Certified
			Silovoti	2008		Certified
			LSS Hoskin (1,877 Smallholders)	2008		Certified
			VOP East (1,815 Smallholders)	2008		Certified
			VOP Central (1,958 Smallholders)	2008		Certified
			VOP West (1,277 Smallholders)Kaulong / Akamie / Pusiki / Repamira / Sakapei / KDC ME (21 large smallholders)	2008		Certified
			LSS Kapiura (847 Smallholders)	2008		Certified
			VOP Kapiura (551	2008		Certified

			Smallholders)			
	<p>TBP on January 2022.</p> <p>Sime Darby has achieved 34 management units in Malaysia, 25 management units in Indonesia, 10 management units in P&amp;G that RSPO certified. Total management unit in Sime Darby Plantation Berhad are 34 in Malaysia, 25 in Indonesia and 10 in P&amp;G. There is change of time bound plan, with detail:</p> <ol style="list-style-type: none"> <li>1. Uncertified area in PT Sime Indo Agro: postpone become 2023 due to HGU process</li> <li>2. Uncertified area in PT Bina Sains Cemerlang: postpone become 2023 due to HGU process</li> <li>3. Uncertified area in PT Bahari Gembira Ria: postpone become 2023 due to HGU process</li> <li>4. Uncertified area in PT Budidaya Agro Lestari: postpone become 2023 due to HGU process</li> <li>5. For Liberia operations: As at 16 Jan 2020, Sime Darby Plantation under its unit Sime Darby Plantation Investment (Liberia) Pte Ltd has completed its disposal of its entire interest in Sime Darby Plantation (Liberia) Inc (SDP Liberia) to Mano Palm Oil Industries Ltd (MPOI). <a href="https://www.simedarbyplantation.com/media/pressreleases/sime-darby-plantation-completesdivestment-of-its-liberia-operation">https://www.simedarbyplantation.com/media/pressreleases/sime-darby-plantation-completesdivestment-of-its-liberia-operation</a></li> </ol>					
1.10.2	<b>Progress of Associated Smallholders and Outgrowers for Certifiable Standard</b>					
	The part area of associated smallholder (KKPA Sungai Cengal under PT LMI) which supplied to Rantau POM has been certified under PT LMI - Rantau POM.					

2.0	ASSESSMENT PROCESS
2.1	Assessment Team
ASA-1.4 (Remote)	<ol style="list-style-type: none"> <li><b>Hasiholan Sihombing (Lead Auditor).</b> Indonesian citizen. Bachelor of Agriculture Majoring in Agronomy, Agriculture Faculty. He has working experienced for 7 (seven) years since 2009 as an Operational Staff in an Oil Palm Plantation Company in Indonesia. The training he has followed namely: Lead Auditor ISPO, RSPO P&amp;C Lead Auditor Course, RSPO Supply Chain Certification Lead Auditor Course, SA 8000 Awareness, Quality Management Systems (ISO 9001:2015), Environmental Management Systems (ISO 14001:2015), OHS General Expert, OHSAS 18001:2007, ISO 19011:2018, ISO 17021:2011 and ISO 17065:2012.. During this audit, he assigned to verify legal aspect, land dispute and SCCS.</li> <li><b>Afiffuddin (Auditor).</b> Indonesian citizen, Diploma III majoring Palm Oil Plantation, Bogor Agricultural University. Five years working experience since 2010 at Oil Palm Plantation Company in Indonesia as agronomy operational staff and followed several trainings namely: Basic Plantation Management Program, Auditor Training Indonesian Sustainable Palm Oil (ISPO), Training of RSPO lead auditor, OHS General Expert, OHS System Management based on PP 50 2012 and Management System Certification (ISO 9001-2015/SNI 19011-9001:2015) ISO 17021, ISO 17065, SA 8000 training. He has been involved in several audit activities related to sustainable palm oil certification since 2016 covering Best Management Practices aspect, health and safety aspect and worker welfare aspect. During this audit, He conducted an assessment on OHS, BMP Agronomy and long-term budget.</li> <li><b>Bayu Yogatama (Auditor).</b> Bachelor of Forestry, Department of Forest Resources Conservation and Ecotourism, Bogor Agricultural University. Has attended the ISO 9001: 2015 Quality Auditor / Lead Auditor Course Quality Management System (QMS) course and ISO 19011: 2011 Guidelines for Auditing Management System, ISPO Lead Training, SA 8000, RSPO Lead Training, SCCS RSPO Lead. IHT RSPO NPP, IHT RSPO RaCP, IHT ISO 17021, and IHT ISO 17065. Having experience working in plywood field as Inspector in foreign private company. Currently working for an independent certification body. During this assessment has verified environment, conservation and GHG aspect. During this assessment has verified HCV, Environment Aspect and GHG.</li> <li><b>Samsul Rijal (Auditor Trainee).</b> Holds a Bachelor Degree in Forestry from IPB University. He has 11 years working experience in palm oil industry specifically on sustainability. He also has the experiences as auditor for ISPO in this certification body. He completed the ISPO Auditor Training, High Carbon Stock Approach Practitioner Training, The Hazard Analysis Critical Control Point System Auditor Training. In this assessment, he assessed on the aspects of ethic, transparency and workers welfare under supervised by Lead Auditor.</li> </ol>
ASA-1.4 & RC-2 (Onsite)	<ol style="list-style-type: none"> <li><b>Haikal Ramadhan Kharismansyah (Lead Auditor).</b> Indonesian citizen, Bachelor of Agriculture department of plant and pest disease (Agrotechnology). He has 3 years' experience as an Agronomy Staff in private oil palm plantation in Indonesia. Training which had attended including Basic Management Development Program Agronomy, Integrated Urban Pest Management, Integrated Pest Management, ISO 9001:2015, Auditor ISPO, RSPO Lead Auditor Training, ISO 22000 awareness, RSPO SCCS. Did some audit ISPO scheme with aspects best management practices. During this assessment verified Legal, FPIC, SCCS, Best Management Practice, OHS and Social.</li> <li><b>Arief Tajalli (Auditor).</b> Indonesian citizen, Bachelor of Forest Resources Conservation and Ecotourism, Faculty of Forestry, Bogor Agricultural University. Has been involved as a researcher at a wildlife laboratory, Faculty of Forestry, IPB. The trainings that have been attended include training for ISO 9001; 2008, ISO 14001; 2004, ISO 17021; 2015, ISO 17065, ISO 19011 and ISPO Auditor training by Mutu Institute and RSPO Auditor Training by Checkmark, also participating in several IHT in the field of environment, BMP, and so on. Has participated in several audit simulation activities related to the sustainable palm oil certification system since 2020 with social, environmental, GHG, and waste management aspect. During this assessment, he verified the Environmental, GHG, and Waste management aspects.</li> </ol>

3. **Naila Karima (Auditor).** Bachelor of Public Health, Department of Occupational Health and Safety. Faculty of Public Health, University of Indonesia. She had experience working in private oil palm plantation companies in Indonesia. She had followed training such as ISPO Lead Auditor, RSPO P&C Lead Auditor, Training of Occupational Health and Safety Management System (government regulations No. 50 year 2012), Integrated Management System (ISO 45001, ISO 14001 and ISO 9001), HCV Management Training, ISO 14064, HACCP, ISO 19011, SA 8000. During this assessment she verified worker welfare and transparency.
4. **Kiki Fadli (Auditor Trainee).** Bachelor of Agricultural Engineering, Agricultural Engineering Study Program. Has experience working in the sustainability department in private and state-owned oil palm plantations. Has attended training on Lead Auditor ISPO, Lead Auditor RSPO, General OHS Expert, ISO 9001:2008, ISO 14001:2015, ISO 17021, ISO 17065, HCV, SMK3. During this assessment, he verified the Best Management Practice and OHS under supervision of Lead Auditor.

Curriculum vitae (CV) of the members and the assessment team is available at the PT Mutuagung Lestari office.

<b>2.2</b>	<b>Assessment Methodology, Assessment Process and Locations of Assessment</b>
<b>2.2.1</b>	<b>Figure of person days to implement assessment</b>
<b>ASA-1.4 (Remote)</b>	Number of auditors : 3 auditor, 1 auditor trainee Number of days for <b>ASA-1.4</b> remote audit: 2 days Number of working days for <b>ASA-1.4</b> remote audit: 6 Working days
<b>ASA-1.4 &amp; RC-2 (Onsite)</b>	Number of auditors: 3 auditor, 1 auditor trainee Number of days for <b>ASA-1.4 &amp; RC-2</b> onsite audit: 5 days Number of working days for <b>ASA-1.4 &amp; RC-2</b> onsite audit: 15 Working days
<b>2.2.2</b>	<b>Assessment Process</b>
<b>ASA-1.4 (Remote)</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Langgeng Muaramakmur to the requirements of <b>Principles and Criteria for the Production of Sustainable Palm Oil 2018, endorsed by the RSPO Board of Governors and adopted at the 15<sup>th</sup> Annual General Assembly by RSPO Member on 15 November 2018, The Indonesia National Interpretation, Endorsed by the RSPO Board of Governors on 20 April 2020 and RSPO Certification System for Principles and Criteria, 14 June 2017.</b></p> <p>For this section (ASA 1.4), the assessment was conducted in One method: document review, aiming to observe the sufficiency of types or substances from required documents. Improvement of findings from ASA-1.3 findings were observed by auditors at this assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of ASA 1.4 Remote Audit report.</p> <p>The opening meeting was held on 18 March 2021 at 08.00 am through a teleconference (zoom). As for the participants who attended the opening meeting included the Estate Manager, Mill Manager, Support Team from sustainability department and other relevant staff. while the closing meeting will take place on 19 March 2021 at 16.00 pm attended by the same participants as the opening meeting. Commonly, the audit activities went smoothly with good support from the unit management. The presentation of documents is presented quite well using email or cloud drive.</p> <p>Improvement of findings from ASA-1.3 findings were observed by auditors at this <b>ASA-1.4</b> assessment. All information obtained was recorded in Check List of PT Mutuagung Lestari (MUTU) and part of <b>ASA-1.4</b>.</p> <p>The assessment program please find Appendix 2.</p>



<b>ASA-1.4 &amp; RC-2 (Onsite)</b>	<p>The assessment was conducted by measuring the sufficiency of implementation with the consistency done by the PT Langgeng Muaramakmur to the requirements of <b>Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, endorsed by the RSPO Board of Governors on 20 April 2020 and RSPO Certification System for Principles and Criteria and RSPO Independent Smallholder Standard, Endorsed by the RSPO Board of Governors on 12 November 2020.</b></p> <p>The assessment was conducted in three methods: (1) document review, aiming to observe the sufficiency of types or substances from required documents; (2) <i>interview</i>, aiming to obtain more detailed information and cross check the information; and (3) field observation, aiming to observe directly the sufficiency of implementation on site.</p> <p>Public Stakeholder Notification was made on RSPO and MUTU Website. There is no written negative feedback receive. Stakeholder consultation involved internal and external stakeholders. Meetings were held with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings. The comments made by external stakeholders were also taken into account in the assessment</p> <p>During the COVID-19 pandemic, there were several modifications to the audit due to health protocols. There are several activities that are not possible to do face to face, such as public consultations with government agencies, communities or previous land owners so that these activities are carried out by direct/telephone. List of Stakeholders contacted is included as Appendix I.</p> <p>The Opening and Closing meetings were held online and attended by management representatives such as Area Controllers, Estate and Mill Managers, PSQM staff, and operational staff. At the closing meeting the conclusions of the auditor team were accepted by the auditee, but the auditee stated that they would use the Error of Fact mechanism. Based on additional facts sent from the beginning there were 4 major NC, 1 minor NC raised to major, 3 minor NC and 3 OFI become 4 major NC, 2 minor NC and 3 OFI</p> <p>Commonly, the audit activities went smoothly with good support from the unit management. The presentation of documents is presented quite well by involving related personnel.</p> <p>Some opportunities for improvement of the results ASA-1.4 &amp; RC-2 delivered by the MUTU auditor to the management unit and the results are the subject will be verified at the next assessment phase (ASA-2.1)</p> <p>The assessment program please find Appendix 2</p>
<b>2.2.3</b>	<b>Locations of Assessment</b>
<b>ASA-1.4 &amp; RC-2 (Onsite)</b>	<p>Number of units in this certification activity is 1 (one) Mill and 3 (three) estate. The consideration for risk assessment is geographic locations, distance of estate, complexity of labor, landscape setting, presence of HCV, number of communities/conflicts, legality etc. And also, because this assessment is for onsite audit ASA-1.4 &amp; RC so auditor team determine to increase the point sample in sample unit (more than 1 Division visited during the field observation). On this assessment sample locations that visited and respondent that interviewed by team auditor are:</p> <p><b>Bebunga Mill</b></p> <ul style="list-style-type: none"> <li>• <b>Grading Station.</b> Observations the activity of grading FFB, third party and also PPE used by worker.</li> </ul>

- **Boiler Station.** Observations the activity in the station and also PPE used by worker
- **Sterilizer Station.** Observations the activity in the station and also PPE used by worker
- **Press Station.** Observations the activity in the station and also PPE used by worker
- **Engine Room.** Observations the activity in the station and also PPE used by worker.
- **Water Treatment Plant.** Observations related work procedure, safety aspect, worker welfare, environment aspect etc.
- **WWTP.** Observation related to effluent handling and potential for environmental pollution.
- **Reservoir.** Observations related work procedure, safety aspect, worker welfare, environment aspect etc.
- **Hazardous waste storage.** Observation about storage condition, hazardous waste stock, emergency response facility, and waste management.
- **Oil storage.** Observation about storage condition, MSDS, OHS implementation, emergency facility, and material stock.
- **General storage.** Observation about storage condition, PPE stock, emergency response and OHS implementation.
- **Chemical material storage.** Observation about storage condition, MSDS, OHS implementation, emergency facility, and material stock.
- **Empty Bunch Area.** Observation related to waste management.
- **Workshop.** Observation related to work procedure, OHS and workers welfare aspect.
- **Material Warehouse.** Observation related to material management, OHS environmental, and and worker welfare aspect.
- **Fuel Station.** Observation and interview with worker related to storage activity, OHS, environmental and worker welfare aspect
- **Hydrant Simulation.** Observation related to emergency response, readiness of fire fighting equipment.
- **Security posts.** Observations and interviews related to supply chain flows, employment aspects, and OHS aspects
- **Weighbridge.** Observations and interviews regarding supply chain flow, training, and aspects
- **CPO storage.** Observation of CPO storage capacity
- **Kernel Storage.** Observation of kernel storage capacity

### Bebunga Estate

- **Boundaries No. LMR 02 and 03,** Field observations to see the suitability of the coordinates, position and condition of the stake.
- **HCV Area Water Spring,** Block C08/Field B26 Division 02 and Block B07/Field B36 Division 03. Observation related to management of environmental aspect and boundaries to planted area.
- **Enclave Area Division 01.** Field observations to see the suitability of the management, position and marking.
- **Sparepart Storage.** Observation and interview with worker related to stock, OHS, and worker welfare aspect.
- **Chemical Storage.** Observation and interview with worker related to storage activity, OHS, environmental and worker welfare aspect.
- **Fertilizer Storage.** Observation and interview with worker related to storage activity, OHS, environmental and worker welfare aspect.
- **Lubricant Storage.** Observation and interview with worker related to storage activity, OHS, environmental and worker welfare aspect.
- **Fuel Station.** Observation and interview with worker related to storage activity, OHS, environmental and worker welfare aspect.
- **Hazardous Waste Temporary Warehouse.** Observation and interview with worker related to hazardous waste management, OHS, environmental and worker welfare aspect.
- **Firefighting Equipment Storage.** Observation and interview with worker related to hazardous waste

management, OHS, and environmental aspects.

- **Rinse House after Chemical and Fertilizer work.** Observation and interview with worker related to hazardous waste management, OHS, and environmental aspects.
- **Workshop.** Observation and interview with workers related to workshop activity, OHS, environmental aspects.
- **Harvesting.** Block G18/19 Division 1. Observation and interview with worker related to work procedure, OHS, environmental and worker welfare aspect.
- **Barn Owl Box.** B009 Block G18. Observation Barn Owl Box.
- **Beneficial Plant.** Block C52 Division 2. Observation and interview with worker related to work procedure, OHS, environmental and worker welfare aspect.
- **Nursery.** Observation and interview with worker related to storage activity, OHS, environmental and worker welfare aspect.
- **Manuring.** Block F16/17. Observation of safe work methods and interviews with fertilization workers regarding the type of fertilizer used according to procedures, K3 and also worker welfare.
- **Land Application.** Block E27. Observation of safe working methods and interviews with related land application workers according to procedures, K3 and also worker welfare.
- **EFB Application.** Block B07 Division 1. Observation of safe working methods and interviews with related land application workers according to procedures, K3 and also worker welfare.

### Bakau Estate

- **Boundaries No. LMR 44 and 09,** Field observations to see the suitability of the coordinates, position and condition of the stake.
- **HCV Area Cave Block E50/Field A21 Division 04.** Observation related to management of environmental aspect and boundaries to planted area.
- **HCV Area Riparian of Tamiang River Block C34/Field A08 Division 01.** Observation related to management of environmental aspect and boundaries to planted area.
- **Replanting Area Block D34 – D35/Field A12 Division 01 and Block F38/Field A36 Division 03.** Observation related to management of environmental aspect in replanting area.
- **Harvesting.** Block 35 Afdeling I. Observations and interviews with harvesters regarding fruit ripeness, safe work practices, OHS and also worker welfare.
- **Fertilization.** Block A009 Afdeling I. Observation of safe working methods and interviews with fertilizing workers regarding the type of fertilizer use according to procedures, OHS and also the welfare of workers.
- **Spraying.** Block 36 Afdeling I. Observation of safe working methods and interviews with spraying workers regarding the types of pesticides used according to procedures, OHS and also the welfare of workers.
- **PPE storage.** Observation of PPE facilities and stock.
- **Chemical storage.** Observations and interviews about storage conditions, agrochemical stocks, application of OHS and work procedures.
- **Storage of fire extinguishers.** Observations and interviews about the condition of firefighting facilities and infrastructure.
- **Firefighting simulation.** Observation of the condition of firefighting facilities and infrastructure and their preparedness.
- **Fertilizer storage.** Observations and interviews about storage conditions, stock of fertilizers, and application of OHS.
- **Fuel storage.** Observations on storage conditions, MSDS, implementation of OHS, emergency facilities, and stock of materials.
- **Workshops.** Observations and interviews related to work procedures, OHS and aspects of worker welfare.
- **Non-permanent housing complex.** Observation of facilities provided by the company and domestic waste management.
- **Landfills.** Observation of conditions, locations and management related to domestic waste.

	<p><b>Sungai Cengal Estate</b></p> <ul style="list-style-type: none"> <li>• <b>Boundaries No. LMR 18, 19 and 20</b>, Field observations to see the suitability of the coordinates, position and condition of the stake.</li> <li>• <b>HCV Area Sikumbang Cave Block J20/Field C11 Division 01</b>. Observation related to management of environmental aspect and boundaries to planted area.</li> <li>• <b>HCV Area Riparian of Bebunga River Block K15/Field C51 Division 04</b>. Observation related to management of environmental aspect and boundaries to planted area.</li> <li>• <b>HCV Area Spring (Sumur 7) Block G08/Field C19 Division 02</b>. Observation related to management of environmental aspect and boundaries to planted area.</li> <li>• <b>Replanting Area Block K15/Field C51 Division 04</b>. Observation related to management of environmental aspect and boundaries to planted area</li> <li>• <b>Circle and Path Spraying</b>. Block C038. Division 3. Observations and interviews on best practices for the use and management of pesticides, labor aspects, and understanding of safe working practices in the use of pesticides</li> <li>• <b>Manual Upkeep</b>. Block C040. Division 3. Observations and interviews regarding aspects of K3 and BMP and first aid facilities</li> <li>• <b>Harvesting</b>. Division 1. Block I14. Observations and interviews regarding the best management practices for harvesting, completeness of PPE, and worker welfare</li> <li>• <b>Racking</b>. Division 1. Block K22. Observations and interviews regarding aspects of K3 and BMP as well as first aid facilities</li> <li>• <b>Planting Year 2022</b>. Blocks C51 and C52 Division I. Observations on replanting activities without burning</li> <li>• <b>Emplacement Pondok 2</b>. Observations on waste management and worker welfare facilities</li> <li>• <b>The Seven Wells Spring HCV</b>. Observations on HCV management.</li> </ul>
<b>2.3</b>	<b>Stakeholder Consultation and Stakeholders Contacted</b>
<b>2.3.1</b>	<b>Summary of stakeholder consultation process.</b>
	<p>Consultation of stakeholders for Bebunga POM – PT Langgeng Muara Makmur held by:</p> <ol style="list-style-type: none"> <li>1. Public announcement in Mutuagung website on 15 July 2022.</li> <li>2. Public consultation with government agencies of Kotabaru District (Land Agency, Agriculture Agency, Labor Agency, and Environmental Agency) on 23 August 2022.</li> <li>3. Public consultation by interview with locals of the nearby village (Tamiang Village and Balaimea Village) and local contractor on 23 August 2022.</li> <li>4. Consultation meeting and interview with Internal Stakeholder (labor union, and gender committee) on 23 August 2022.</li> <li>5. Consultation with NGO (WWF, Sawit Watch, Wahana Lingkungan Hidup Indonesia, dan AMAN) via email on 15 August 2022.</li> </ol> <p>Numbers of input from stakeholders were clarified by Bebunga POM – PT Langgeng Muara Makmur</p>
<b>2.3.2</b>	<b>Stakeholder contacted</b>
	Please find appendix 1
<b>2.4</b>	<b>Determining Next Assessment</b>
	The next visit ASA-2.1 will be conducted eight (8) months to twelve (12) months after date of annual license.

### 3.0 ASSESSMENT FINDINGS

#### 3.1 Summary of Assessment Report of the RSPO Certification

MUTUAGUNG LESTARI has conducted an assessment of Bebunga POM – PT Langgeng Muaramakmur Subsidiary of Sime Darby Plantation Berhad operation consisting of one (1) mill and 3 (three) oil palm estates.

During the assessment, there were four (4) Nonconformities were assigned against Major Compliance Indicators; two (2) Nonconformities were assigned against Minor Compliance Indicators and three (3) opportunities for improvement were identified.

Further explanation of the non-conformities raised and corrective actions taken by the company are provided in section 3.5. The company has already prepared and implemented the corrective actions that had been reviewed and accepted by Auditors in form of documentation evidence.

MUTUAGUNG LESTARI found that Bebunga POM – PT Langgeng Muaramakmur complied with the requirements of Principles and Criteria for Sustainable Palm Oil Production 2018, The Indonesia National Interpretation, endorsed by the RSPO Board of Governors on 20 April 2020 and RSPO Certification System for Principles and Criteria and RSPO Independent Smallholder Standards, Endorsed by the RSPO Board of Governors on 12 November 2020.

Therefore, MUTUAGUNG LESTARI Recommends RSPO compliance certification is continued.

Ref Std.	VERIFICATION RESULT of MUTU-Certification	
<b>PRINCIPLE #1 BEHAVE ETHICALLY AND TRANSPARENTLY</b>		
<b>1.1</b>	<b>The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.</b>	
<b>1.1.1</b>	<p>The unit of certification has a list of information/documents that can be accessed and/or shared with stakeholders such as government agencies and NGOs which is presented in document Answering Information procedure number 015/Admin-PIF/15 dated December 6, 2021. In the document There are 17 types of documents that can be accessed by stakeholders according to the authority of the company, including the following:</p> <ul style="list-style-type: none"> <li>• Area of LC, TBM, TM, Infrastructure</li> <li>• Jamsostek Payment Proof</li> <li>• Employee Medical Payment Proof</li> <li>• Employee General Facilities</li> <li>• Pest and Disease Attack Data</li> <li>• Light Vehicle and Heavy Equipment Data</li> <li>• Data of Supporting Machines</li> <li>• CSR data that has been done</li> <li>• Bridge Data</li> <li>• Road Length Data</li> <li>• Work Building Data</li> <li>• General Building Data</li> <li>• School Building Data</li> <li>• Type of Fertilizer used</li> <li>• Type of Agrochemical used</li> </ul>	



- SKU Employee Data
- School Student Data

### 1.1.2

The company shows the SOP on Information Answers with No. 015/Admin-PIF/15 dated December 6, 2021 which explains the types of documents that can be provided to the parties (stakeholders) such as proof of payment of labor and health insurance, employee public facilities, employee data, etc. Based on interviews with village officials, it was stated that they knew the procedures for answering information and documents that could be accessed and the information presented in the appropriate language. In addition, stakeholders can also access through the company's website for other information.

The unit of certification can show evidence that information has been received in an appropriate form and language related to stakeholder involvement, company rights and obligations that are conveyed to all relevant stakeholders, including:

#### **Compliance with Social and Environmental Regulation**

- Evidence of PT Langgeng Muaramakmur's RKL-RPL Report for Semester 2, 2021 which was reported to the Environmental Service of Kotabaru Regency and South Kalimantan Province on January 9, 2022.
- Evidence of PT Langgeng Muaramakmur's RKL-RPL Report for Semester 2, 2021, which was reported to the Ministry of Environment and Forestry on January 9, 2022. with ID TTE 1599640239-1177.
- Evidence of PT Langgeng Muaramakmur's Hazardous and Toxic Waste Management Report Quarter I, 2022 which was reported to the Kotabaru District Government on July 1, 2022 with ID TTE 1599641622-1177.
- Evidence of Monitoring Report of Fixed Emission Sources Semester 2, 2021, which was reported to the Environment Agency, Kotabaru Regency and South Kalimantan Province on January 9, 2022.
- Evidence of Monitoring Report of Fixed Emission Sources Semester 2, 2021, which was reported to the Ministry of Environment and Forestry on January 9 with ID TTE 1656428444-3227.
- Evidence of the Land Application Implementation Report for Quarter 2, 2022 which was reported to the Environmental Service, Kotabaru Regency and South Kalimantan Province on 1 July 2022.
- Evidence of report on the results of management and monitoring of high conservation value areas for 2021 which is reported to the BKSDA of Kotabaru Regency on March 5, 2022.
- Evidence of fire management results report for 2021 which was reported to the Kotabaru Regency Environmental Service on January 14, 2022.

#### **Manpower and Transparency Aspect**

for example:

- Mandatory Reporting Manpower of the Bebunga Estate with number 72169.20211008.0001
- Mandatory Reporting Manpower of the Bebunga Mill with number 72169.20211012.0003

#### **Legal Aspect**

- Report on the utilization of HGU No 003/LMR/PSDKSP/I/2022 to BPN Kotabaru for the 2021 period
- Report on Investment Activities; report number 1442244 for quarter I of 2022 dated April 8, 2022 to the Kotabaru District Investment Service with approved status

However, the company has the opportunity to ensure that the mandatory information submitted to the parties is accurate. For example, for reports on the use of HGU and LKUP. In the report, the area of HGU owned by the company is 15,533 hectares, while when referring to the certificates owned by the HGU, the total area of HGU both included in the South Kalimantan and East Kalimantan areas is 16,990.74 hectares. It became **OFI**.

### 1.1.3

The company has a procedure for communication and consultation to stakeholders in document no. 016/Admin-RSPO/21 dated July 1, 2021. The document describes the mechanism regarding requests for information and responses provided by the company

to all stakeholders.

The company shows company maintains records of requests for information and responses in the Information Request and Response Logbook, it is known that there were no requests for information from stakeholders addressed to the company for 2022. However, there are records of outgoing letters, for example, letter No. 005/BKE-DISNAKER/01/2022 addressed to the Head of Social, Labor and Transmigration Office of Kotabaru District regarding the reporting on the use of PKWT workers the Bakau Estate.

### 1.1.4

The company has a SOP for Communication and Consultation to Stakeholders in document no. 016/Admin-RSPO/21 dated July 1, 2021. Information requests will be selected and classified by the Unit Head. The time for submitting information from the Unit Head to each department is less than 2 week and must be responded to immediately or less than 2 weeks from the date of receipt. Monitoring requests for information, responses, and document preparation are carried out by a social official appointed in Mill and Estate. Based on consultation to indicate that the procedure socialized by nominated management official. The procedure was socialized on June 21, 2022. The procedure has also been socialized to stakeholders on July 27, 2022 which was attended by 5 contractor workers in the Bakau Estate.

### 1.1.5

The company has provided an updated list of stakeholders for PT Langgeng Muara Makmur (Estates and Mill unit) consisting of legal entities, indigenous peoples, local communities, workers' organizations, smallholders, FFB suppliers, and independent services, and NGOs. The document contains a list of names, types of relevant stakeholders, and stakeholder contacts. Among the stakeholders company, there are hazardous waste contractor, namely PT Balikpapan Enviromental Service and a replanting contractor namely PT Mitra Karya Jaya Perdana.

Based on the stakeholder list document, it is known that these contacts can be contacted through interviews with representatives of internal and external stakeholders, for example, interviews with the Labor Agency of Kotabaru Regency. The results of the interview can be seen in section 3.5 Summary of Arising Issues from Public and Auditor Verification.

**Status: Comply**

## 1.2

**The unit of certification commits to ethical conduct in all business operations and business transactions.**

### 1.2.1

The company's commitment to ethical behavior was adopted from Sime Darby Berhad as a holding, which was shown in the document "The Code of Business Conduct / COBC" signed by the Group CEO in March 2018. The policy consists of the company's core values and business principles. In addition, the policy includes elements such as equality of opportunity and non-discrimination, environment & OSH, human rights, avoiding conflicts of interest, guarding against bribery and corruption.

The policy is publicly available on the company website (<https://www.simedarbyplantation.com>). COBC socialization was carried out to all employees and vendors listed on the attendance list for the socialization activity on August 5, 2022, which was attended by 88 people and socialization to stakeholders (community representatives and contractors) on July 27, 2022 which was attended by 9 people.

### 1.2.2

The company has systems in place to monitor compliance and implementation of these policies, as well as ethical business practices as a whole. Its mechanism also regulates compliance with contracted third parties. The company has the results of a balance sheet audit conducted by public accountants Tanudiredja, Wibisana, Rintis and Partners for the period 2021. The report published on March 31, 2022 in its opinion states in all material respects, the financial position as of December 31, 2021, as well as the financial performance and cash flows for the year then ended in accordance with Indonesian financial accounting standards.



Based on the results of document review and interviews with management, it is known that for the 2021 period there were no reports related to violations of ethical business practices.

**Status: Comply**

### PRINCIPLE #2 OPERATE LEGALLY AND RESPECT RIGHTS

#### 2.1

**There is compliance with all applicable local, national and ratified international laws and regulations.**

##### 2.1.1

The Bebunga POM certification unit is under the company PT Langgeng Muaramakmur, in compliance with the compliance, the company has complied with all relevant laws and regulations, namely by having the following documents:

#### **Compliance with Social and Environmental Regulations:**

- Environmental Document (ANDAL) in 1995 which was approved by ANDAL for Palm Oil Plantations and Palm Oil Mills by the Head of Planning Bureau, Secretary, Secretary of the Central Commission, Ministry of Agriculture No. 008/ANDAL/BA/II/1995 dated 27 February 1995. As well as the approval of RKL and RPL No. 048/RKL-RPL/BA/III/1995 March 30, 1995. However, the document shows that the entity in the document is still in the name of PT Indoagri Inti Plantation belonging to the Salim Group which was the former owner before being taken over by Sime Darby Group. Related to this, a discrepancy is obtained when referring to PPRI Number 22 of 2021, Appendix V regarding Types and Criteria for Changes in Business and/or Activities that may Cause Changes in Environmental Approval, in point 8 states "that changes in the identity of the person in charge of the business and/or activity enter into components that can lead to changes in environmental approvals". This has become one of the components of the Non-conformance in indicator 3.4.1.
- Environmental Management Document (DPLH) in 2011 which was legalized by the Environmental Agency (BLH) of Paser Regency under Number 660.1/210/DPLH/BLH2011, dated 24 May 2011 concerning Recommendations for DPLH for Oil Palm Plantation Activities covering an area of 1,213 ha (Location permit in accordance with SK 06/T.Praja-SILP/VII/2007) which is located in Batu Engau and Tanjung Harapan Districts, Paser Regency, East Kalimantan Province.
- The UKL-UPL 2013 document legalized by the Kotabaru Regency Environmental Agency (BLH) number 660/23/tatling-AMDAL/BLHD/2013 dated June 5, 2013 regarding the Construction and Operation of a Special Terminal and its Supporting Facilities (CPO Pier 10, 11 meters and Kernel Pier 16.44 meters long).
- Permit for Temporary Storage of Hazardous and Toxic Waste in accordance with the Decree of the Head of DPMPSTSP Kotabaru Regency Number 503/0272/PSLB3-P-DPMPSTSP/2021 dated April 12, 2021 concerning Permit for Temporary Storage of Hazardous and Toxic Waste for PT Langgeng Muaramakmur. This permit is valid for a period of 5 years. The permit document covers one hazardous waste storage warehouse owned by the company located in the Bebunga POM area. Based on this document, OFI in ASA 1.4 has been fulfilled.
- Surface Water Utilization Permit Document based on DPMPSTSP Decree Number 503/16/SIPA/DS-DPMPSTSP/X/2019 dated 14 October 2019 which is valid until 15 November 2022.
- Liquid Waste Utilization Permit Document for Land Application in accordance with the applicable quality standards based on the Technical Approval (PERTEK) document from the Kotabaru Regency Environmental Service Number 660.3.4/316/DLH-PPKL.PLA/IV/2022 dated 18 April 2022 concerning Technical Approval for Fulfillment of Quality Standards for Utilization of Wastewater to Soil for PT Langgeng Muaramakmur with an Area of 571.9 Ha. The permit remains in effect as long as there is no change.

#### **Best Management Practice Regulations:**

Based on the results of the document review, it is known that the certificate holder has complied with the provisions related to best management practice, including:

- The company does not clear and/or cultivate land by burning, this is in accordance with Law No 39 of 2014 concerning Plantations.
- Using registered pesticides and their distribution permits are still valid in accordance with Ministry of Agriculture Regulation

No. 43 of 2019, for example the use of pesticides with the Kencepat trademark, Asefat chemical, RI permit No. 01010120103756 and valid until 10 December 2022.

### OHS Regulations:

Decree of the Manpower and Transmigration Office of South Kalimantan Province No 566/043/Was-NKT/2020 dated May 25, 2020 regarding the ratification of changes to OHS committee PT LMR in which the OHS committee secretary appointed in the management structure, has attended General OHS Expert training which can be shown from the General OHS Expert Appointment Decree, dated 19 October 2020 No. 5/9567/AS.02.04/X/2020 which is valid for 3 years, this is in accordance with regulation of the minister of manpower No. 4 of 1987.

### Compliance with Legal Regulation:

The company already has a HGU with an area of 16,990.75 Ha with the following details:

- Land title certificate No. 12 the year of 1997 covering 15,533 Ha
- Land title certificate No. 04 the year of 1998 covering 828.774 Ha.
- Land title certificate No. 0096 the year of 2019 covering 628.98 Ha

Of the entire area there is an area of 3,244.65 Ha which is not included in the scope of this certification (Lanting Estate) which is the supply base of Rantau POM. Thus, the scope of the certification this time is 13,746.10 Ha.

Other than HGU, the company also has an IUP in accordance with

- Plantation Business Registration Letter No. 461 / Menhutbun-VII / 2000 for plantations covering an area of 15,533 ha and a Bebunga mill with a capacity of 60 tons of FFB / hour.
- Approval of Re-registration of Plantation Business Permits in accordance with SK 188.45 / 386 / KUM / 2009 for plantations covering an area of 15,533 ha and processing factories with a capacity of 60 tons / hour.
- Plantation Business Registration Letter No. HK.350 / 795 / Dj.Bun.5 / XI / 2001 for Estates covering an area of 828.77 ha in Paser District, East Kalimantan (Bebunga Estate).

Regarding the IUP whose validity period has expired in 2019, the company has the opportunity to ensure the timeline for the process of extending the Term of Approval for Re-registration of Plantation Business Permits that have been submitted since October 4, 2019. It became OFI.

### Compliance with manpower Regulation:

The certification unit, in general, has complied with manpower regulations, including:

- Mandatory Reporting Manpower of Bebunga Estate with number 78571.20211228.0002
- The implementation of the minimum wage in 2022 is in accordance with the Minimum Wage Decree of the Kotabaru Regency established by the Governor of South Kalimantan in November 31, 2021.
- Payment of overtime wages to workers in accordance with Government Regulation No.35 of 2021.
- Implementation of the structure and scale of wages for all levels of workers in accordance with Minister of Manpower Regulation No. 01 of 2017.
- Reporting activities of the Bipartite Cooperation Institute to Manpower Agency Kotabaru Regency
- Reporting the use of PKWT labor to Manpower Agency Kotabaru Regency

### 2.1.2

Procedure of legal identification and other legal requirements which presented in documet No 001/EPH-KSP/VII/09 related Identification of Law and its evaluation mentioned that legal department head has responsibility to arranged and monitored legal related laws and/or regulation once a year. Last Internal audit of regulations compliance is on 25 – 30 February 2022

List of regulation which applicable with unit of certification activity i.e :

- PP No. 35 of 2021 concerning Specific Time Work Agreements, outsourcing, working hours, rest periods, and layoffs
- PP No. 36 of 2021 concerning Wages
- PP No. 37 of 2021 concerning Job Loss Guarantee
- PermenLHK Number P.12 of 2020 concerning Storage of Hazardous and Toxic Waste
- Regulation of the Minister of Manpower number 4 Of 2022 concerning payment procedures and terms for “*Jaminan Hari Tua*”

Evaluation of law registers for contractors described in 2.2.2 and 2.2.3. In addition, once a year also conduct RSPO internal audit.

### 2.1.3

The company has a SOP for Maintenance of HGU pole which was issued on May 12, 2011. Based on the procedure, it is known that the company will maintenance the pole every 6 months. Including recording the number and position. Based on the results of field visits to HGU ple No. LMR 02, LMR 03 (BBE), LMR 44, LMR 09 (BKE), and LMR 18, LMR 19, LMR 20 (SCE) it is known that the condition of the stakes is in good condition and well maintained according to the monitoring results. HGU pole monitoring and maintenance were last implemented in July 2022.

**Status: Comply**

## 2.2

**All contractors providing operational service and supplying labour, and Fresh Fruit Bunch (FFB), comply with relevant legal requirements.**

### 2.2.1; 2.2.2 & 2.2.3

In monitoring the existence of contractors for plantation and mill activities, company had well-documented the list of contractors, type of business, contact persons, work agreements, and ensuring other matters related to compliance with laws and regulations in Indonesia. During the audit, company has contractors list which is updated July 2022 and collaborated in gardener services, heavy equipment rental grader, compactor heavy equipment rental, TLB heavy equipment rental, scout harvesting and replanting.

Managing the contractor, company has a copy of the collaboration agreement in PT Langgeng Muara Makmur. Company has shown that there were several separate clauses on the work agreement between the company and the contractor related to fulfilling legal obligations in Indonesia. Some of these obligations are related to the registration of workers' health and social security insurance, the provision of minimum wages, the obligation to use PPE, other permits such as tax payment and others. For example, for agreement between two parties, such as:

- Work Agreement between PT Langgeng Muara Makmur and CV Al Anwar Berkah No. 014/SCE/SPK – LKL/III/2022 dated March 24, 2022 which is valid until September 30, 2022. Scope of this agreement is gardener services in Staff Housing Sungai Cenal Estate.
- Work Agreement between PT Langgeng Muara Makmur and PT Jaya Mulia Bintang Borneo No. 016/SCE/SPK – LKL/VI/22 dated June 20, 2022 which is valid until. Scope of this agreement is Grader Rental.
- Work Agreement between PT Langgeng Muara Makmur and CV Sumber Rezeki Binturung No. 019/SCE/SPK – LKL/VII/22 dated August 1, 2022 which is valid until December 31, 2022. Scope of this agreement is Scout Harvesting.
- Work Agreement between PT Langgeng Muara Makmur and PT Mitra Karya Jaya Perdana No. 020/MMTC – AWD/I/2022 dated January 1, 2022 which is valid until December 31, 2022. Scope of this agreement is Replanting.

Beside the example in above, unit certification also showed documents such as:

- Salary slips for employees of CV Citra Wulandari for the period July 2022. From the document, it is known that the contractor has paid employee wages in accordance with applicable regulations.
- Work Agreement between PT Appindo Multi Perkasa and their workers such as certain time work agreement No. 001/Sunarti/VI/2022 dated July 1, 2022 which is valid until December 31, 2022.
- Work Agreement between CV Citra Wulandari and their workers such as certain time work agreement No. 08/CW/VI/22 dated April 1, 2022 which is valid until June 30, 2022.
- Proof of payment for PT Appindo Multi Perkasa BPJS *Ketenagakerjaan* July 2022 period dated August 12, 2022 and payment

BPJS Kesehatan July 2022 period dated July 10, 2022.

- Salary slips for employees of CV Al Anwar Berkah for the period June 2022. From the document, it is known that the contractor has paid employee wages in accordance with applicable regulations.

In each work agreement between the certification unit and the contractor, there are separate clauses regarding the compliance of legal obligations in Indonesia as one of obligations that must be complied by the contractor including the prohibition of employing minors, child protection, and commitment to comply with applicable laws in Indonesia. To ensure compliance with this clause, the unit of certification always asks for requirements for completeness before the contractor does/starts work

Based on the interviews with representatives of contractors, it is known that so far, the company has always educated and provided direction related to sustainable palm oil management policies, including the prohibition of employing minors, child protection, and commitment to comply with applicable laws in Indonesia. Commitment not to hiring employees of human trafficking and forced labor listed in contractor's work agreement signed by each contractor.

**Status: Comply**

### 2.3

**All FFB supplies from outside of the unit of certification are from legal sources.**

#### 2.3.1 & 2.3.2

Based on the results of the document review, it is known that BBF does not receive FFB from other sources that are not certified. Another source is the plasma of PT Laguna Mandiri, which is also RSPO certified, so information about the origin of FFB is not needed.

**Status: Comply**

## PRINCIPLE #3 OPTIMISE PRODUCTIVITY, EFFICIENCY, POSITIVE IMPACTS AND RESILIENCE

### 3.1

**There is an implemented management plan for the unit of certification that aims to achieve long-term economic and financial viability.**

#### 3.1.1

The company shows the long-term plan contained in the long-term plan document for the period 2022-2026 approved by the Head of SQM which contains information on plantation business including production projections, plantation and mill operational plans, FFB source plans, cost projections and others, for example:

DESCRIPTION	UNIT	YEAR				
		2022	2023	2024	2025	2026
FFB Produced by Own Estate	Ton	137,368	148,702	160,147	185,619	215,929
CPO Production	Ton	26,992	28,228	29,545	34,046	20,423
OER	%	21.50	21.50	22.00	22.50	23.00
PK Production	Ton	5,650	5,908	6,043	6,809	8,348
KER	%	4.50	4.50	4.50	4.50	4.75
Replanting	Ha	1,559	1,313	949	623	59

#### 3.1.2

There is an annual replanting/replanting program that is projected for at least the next five years, some of which are listed in the Long-Range Replanting Program – KSP Region for the period 2022 – 2026, including the following:

- Period 2022 area of 1,559 Ha
- Period 2023 area of 1,313 Ha
- Period 2024 area of 949 Ha
- Period 2025 area of 623 Ha
- Period 2026 area of 59 Ha

The company reviews the replanting realization every year, as stated in the payment inspection report document No. 004/Replanting/LMR-BKE/I/2021 on July 31, 2022, which explains the realization of replanting in 2022 in Bakau Estate covering an area of 331.74 Ha.

### 3.1.3

The Company has carried out a management review within the planned time in accordance with the scale and nature of the activities carried out, which was shown in the Management Review of PT Langgeng Muara on January 15, 2022 which was attended by Area Controller, SQM and Estate and Mill management. The agenda discussed includes the results of internal audits, customer feedback, process performance, status of preventive and corrective actions, follow-up to previous management reviews, system changes and recommendations for improvement.

Status: Comply

### 3.2

**The unit of certification regularly monitors and reviews their economic, social and environmental performance and develops and implements action plans that allow demonstrable continuous improvement in key operations.**

#### 3.2.1

The certification unit already has a system to improve existing practices, in accordance with the latest information and techniques as well as a socialization mechanism for all workers following current technological developments. The unit of certification also develops guidelines for farmers by providing systematic training for continuous improvement. Some of the evidence that has been applied for continuous improvement include:

#### **Social and Environmental Aspect**

- The company no longer uses pesticides with the active ingredient paraquat.
- The company has implemented biological pest control in this case by using host plants and barn owls to reduce the use of pesticides, especially insecticides and rodenticides.
- Management and monitoring of fires in company border areas that benefit the community.
- The use of renewable energy accordance to reduce the use of fossil fuels.
- Waste management and monitoring through WWTP pond management, testing the quality of the effluent and reporting it to the Environmental Agency.
- Air quality management and monitoring through several action like road maintenance, air quality testing, routine maintenance of vehicles and machines and vehicle upgrades.
- Management and monitoring of surface and groundwater through testing the quality standard.
- Green House Gas Management and using land clearing with mechanical and zero-burning policy.

#### 3.2.2

Certification Unit already has an annual report document using the RSPO metric template format that has been provided to the auditor team at the time of the assessment. The summary in the report, for example, is as follows:

Name of RSPO Member	: Sime Darby Plantation Berhad
RSPO Membership Number	: 1-0008-04-000-00
Name of Certified Unit	: PT Langgeng Muaramakmur
Name of Certification Body	: PT Mutuagung Lestari
RSPO PalmTrace ID Number	: RSPO_PO1000000324
Number of Mills	: 1
Number of Estates	: 4
Production Area (ha) - Estate	: 8,960
Certified Area (ha) - Estate	: 13,741
High Conservation Value (HCV) Area (ha)	: 1,025
Peatlands - Planted (ha)	: 0

Peatlands - Unplanted (ha) : 0  
Freshwater Usage per PO produced tone : 8.42

The accuracy of the data on the HCV area in the template matrix is still uncertain, because the condition of the area has changed a lot when referring to actual conditions. This has become a non-conformity with indicator 7.12.4.

**Status: Comply**

### 3.3

**Operating procedures are appropriately documented, consistently implemented and monitored.**

#### 3.3.1

The company shows the procedures related to plant maintenance as contained in the Agronomy Reference Manual No. 110/EST-ARM/13 dated September 1, 2013 which was approved by the Head Plantation Upstream Indonesia. The document is divided into 18 sections, namely:

1. Plant material
2. Breeding technique
3. Replanting
4. Land preparation
5. Plant density
6. Age of harvesting
7. Field maintenance
8. Fertilization
9. Canopy management
10. Water management in coastal areas and peatlands
11. Ablation
12. Maturity standard
13. Spinning harvest
14. Loose fruit
15. Plant protection
16. Weed control
17. Manufacture of legume cover crops
18. Rainfall recording

The company shows the SOP for the processing process as well as the process of monitoring and measuring the quality of Crude Palm Oil (CPO), which are listed in the Palm Oil Processing System Document No. 110/POD-FAC/07 which includes, among others:

1. Chapter I on Fundamentals of Palm Oil Processing
2. Chapter II on Stockpiling of Oil and Palm Kernel
3. Chapter III on Factory Wastewater Control
4. Chapter IV on Water Treatment
5. Chapter V on Laboratory Analysis

Based on the document, the company already has an SOP that covers all activities from estate and mill and can be accessed by workers.

#### 3.3.2 & 3.3.3

The company has a system that ensures consistent implementation of its SOPs by conducting internal audits of Estate and Mill operations, ISPO and RSPO Internal Audits, Financial audits carried out by external parties and daily internal supervision carried out by supervisory levels starting from the Foreman, Division Assistant, Assistant Head, to Manager.



The last operational internal audit, for example, was conducted at the Bakau Estate on 12-15 June 2022 with the findings of 9 non-conformities, which have subsequently been corrected for 7 non-conformities and 2 non-conformities are in the process of being corrected until 30 August 2022. The company has also conducted an internal RSPO audit on 8 -11 June 2022 with the result of 2 discrepancies, which have also been corrected on 30 June 2022.

All inspection activities and corrective actions carried out by the company are recorded in the form of a report in accordance with the audit carried out.

**Status: Comply**

### 3.4

**A comprehensive Social and Environmental Impact Assessment (SEIA) is undertaken prior to new plantings or operations, and a social and environmental management and monitoring plan is implemented and regularly updated in ongoing operations.**

#### 3.4.1

The certification unit already has several documents related to social and environmental impact studies that are carried out independently or participatively by involving affected stakeholders in collaboration with accredited independent experts. Some of the documents held by the unit of certification are as follows:

#### Environmental Impact Assessment (EIA)

The Bebunga POM certification unit is under the company PT Langgeng Muaramakmur, the company already has an Environmental Impact Assessment (EIA) document that has covered all areas that fall within the scope of certification and can be proven based on environmental documents as described in indicator 2.1.1, among others:

- Environmental Document (ANDAL) in 1995 which was approved by ANDAL for Palm Oil Plantations and Palm Oil Mills by the Head of Planning Bureau, Secretary, Secretary of the Central Commission, Ministry of Agriculture No. 008/ANDAL/BA/II/1995 dated 27 February 1995. As well as the approval of RKL and RPL No. 048/RKL-RPL/BA/III/1995 March 30, 1995.
- Environmental Management Document (DPLH) in 2011 which was legalized by the Environmental Agency (BLH) of Paser Regency under Number 660.1/210/DPLH/BLH2011, dated 24 May 2011 concerning Recommendations for DPLH for Oil Palm Plantation Activities covering an area of 1,213 ha (Location permit in accordance with SK 06/T.Praja-SILP/VII/2007) which is located in Batu Engau and Tanjung Harapan Districts, Paser Regency, East Kalimantan Province.
- The 2013 UKL-UPL document legalized by the Kotabaru Regency Environmental Agency (BLH) number 660/23/tatling-AMDAL/BLHD/2013 dated June 5, 2013 regarding the Construction and Operation of a Special Terminal and its Supporting Facilities (CPO Pier 10, 11 meters and Kernel Pier 16.44 meters long).

In the document above, there is information related to environmental aspects and parameters that must be monitored and managed along with information on targets and implementation times contained in the UKL-UPL matrix. The document has also covered all aspects of plantation and mill activities as well as their changes throughout the operational activities. The sampling methodology used is also participatory involving external stakeholder groups for the purpose of identifying impacts. Based on the verification of the RKL-RPL report documents for Semester 2 of 2021 and Semester 1 of 2022, it can be concluded that all environmental impacts that are required in the three documents above have been identified and managed by referring to the relevant laws and regulations and are combined into the same report.

#### Social Impact Assessment (SIA)

The company already has a social impact identification document, namely the 2010 PT LMR Plantation and Palm Oil Mill Social Impact Identification Study (SIA) by YASBI which was carried out by involving the affected parties. There was a socialization meeting / Public Consultation on Social Impact Assessment (SIA) on December 6, 2009 with 50 participants, including representatives from surrounding villages, community leaders and representatives from PT LMR. Evidence of community involvement in the form of attendance lists, photos of implementation and examples of questionnaire attachments in the SIA document for Binturung Village, Sesulung Village, Selabak Village, Tanjung Sari Village, Bakau Village, Tamiang Village, Mulya Jati Village, Lintang Jaya Village, Sekayu Village and Harapan Village Up. The assessment method is carried out using a list of questionnaires that have been prepared through an interview system and data measurement.



The SIA study explains the impacts arising from plantation activities, including population, education, livelihoods, income, health, facilities and infrastructure, customs and culture of the villagers around the company, environmental management efforts in the social, economic and cultural fields by PT LMR and community perceptions of the existence and benefits of PT LMR. Social impact assessments are included as part of the complement of all environmental impact assessments. The assessment involved all affected parties, both internal and external stakeholders, including employees, trade unions, village heads around the plantation, local NGOs and plasma farmers with a total of 50 representatives of relevant stakeholders. Evidence of participation with affected parties is shown in the form of attendance at FGD meetings and photos during interviews. In addition, the SIA study has also been disseminated to villagers and stakeholders in the affected areas with evidence of an invitation to socialization conducted on January 13, 2010. The report also contains a matrix of Social Management Plan and Social Monitoring Plan which contains recommendations for managing social impacts that have been implemented. identified.

Community representatives who became resource persons in this assessment were village heads, village officials, and traditional leaders. The types of data collected are primary data and secondary data. Primary data collection for monitoring the management of social impacts is obtained from relevant stakeholders as affected parties as well as local village officials who represent the community and as verifiers. Secondary data or indirect data collection is carried out by means of literature studies through various references such as environmental assessment documents, HCV study results documents, local government literature, CSR implementation records, company internal data, correspondence between companies and affected parties, local news and news. national and so on. All of these data sources are used as consideration for social impact management recommendations. Based on the verification of these documents, it can be concluded that all social impacts from plantation activities have been identified and their management recommended with reference to relevant laws and regulations.

#### **High Conservation Value Assessment (HCVA)**

The Company already has a Report on Identification and Analysis of the Presence of High Conservation Value (HCV) in the Permit Area of PT. Langgeng Muaramakmur, Kotabaru Regency, South Kalimantan Province in collaboration with YASBI in 2009. In this document, a Map of the High Conservation Value Area of PT. Lasting Muaramakmur with a scale of 1: 110,000. This activity is carried out for the scope of PT LMR where there are 4 Estates in it, namely Bebunga Estate, Bakau Estate, Sungai Cengal Estate and Lanting Estate. Based on this study, it is known that in the PT LMR permit area of 16,361.77 ha, 6 (six) HCV classes have been identified with a total HCV area of 1,382.82 Ha in the form of river borders, springs, cave areas, endangered species, and swamp. The report also contains a matrix of High Conservation Value Area Management and Monitoring Plans which contains recommendations for the management of all identified HCV areas.

However, because Lanting Estate is not included in the scope of certification, the actual area of HCV that should be owned by the company, especially those that are included in the scope of certification, should be smaller than 1,382.82 Ha. The company shows the 2022 HCV Assessment Management Review and Review document which states that the area of HCV that is included in the scope of certification is 1,024.80 Ha. However, the determination of the area is still not traceable so that it becomes a discrepancy in indicator 7.12.4.

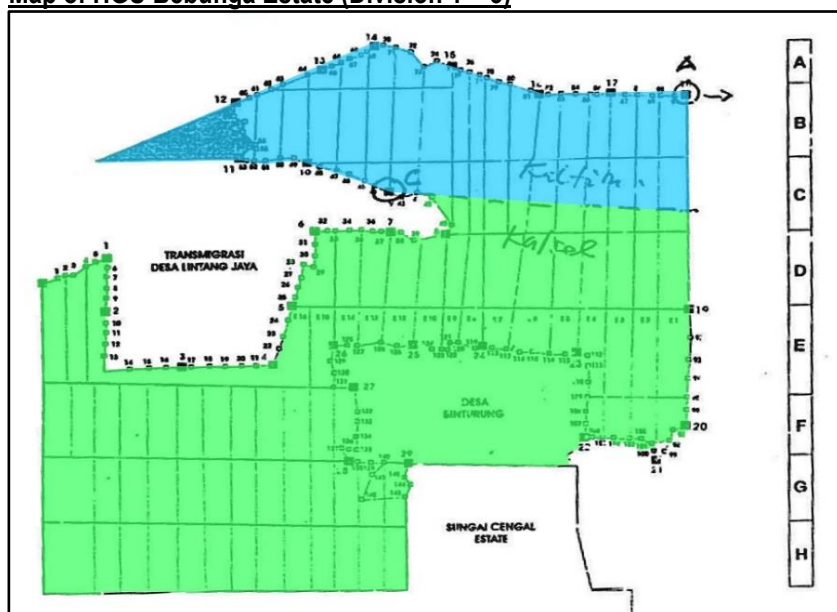
The company has been able to show all the required documents related to SEIA, but based on the results of field observations, interviews, and document verification, the following information was obtained:

- Based on the results of the 1995 AMDAL document verification, it shows that the entity in the document is still in the name of PT Indoagri Inti Plantation belonging to the Salim Group which was the former owner before being taken over by Sime Darby Group. Related to this, a discrepancy is obtained when referring to PPRI Number 22 of 2021, Appendix V regarding Types and Criteria for Changes in Business and/or Activities that may Cause Changes in Environmental Approval, in point 8 states "that changes in the identity of the person in charge of the business and/or activity enter into components that can lead to changes in environmental approvals".
- Based on the results of field observations to the Sungai Cengal Estate, it shows that the company has airport facilities (Air Strip). However, the company has not been able to show the results of the environmental impact assessment document for the Air Strip facility. Related to this, evidence of non-compliance is obtained when referring to the Minister of Environment

Regulation No. 05 of 2012, concerning Types of Business Plans and/or Activities Required to Have an Environmental Impact Analysis, in point F-5 it states "that the construction of airports for Fixed Wing and its facilities included in activities that are required to carry out an impact analysis on the environment".

- Based on the results of document verification, it shows that the entire area of PT LMR which is included in the South Kalimantan Administration has been included in the scope of the 1995 AMDAL study. Meanwhile, the company's area that is included in the East Kalimantan Administration refers to the results of environmental studies in the form of the 2011 DPLH Document. Based on the results of the verification of the two documents, it shows that the area of Division 4, Bebunga Estate which administratively, part of the area is included in the scope of East Kalimantan, is not included in the two environmental studies. This is because the 2011 DPLH document refers to the area of the Application for Location Permits covering an area of 1,213 Ha which only includes 2 Divisions, namely divisions 2 and 3, Bebunga Estate which can be proven based on the picture below:

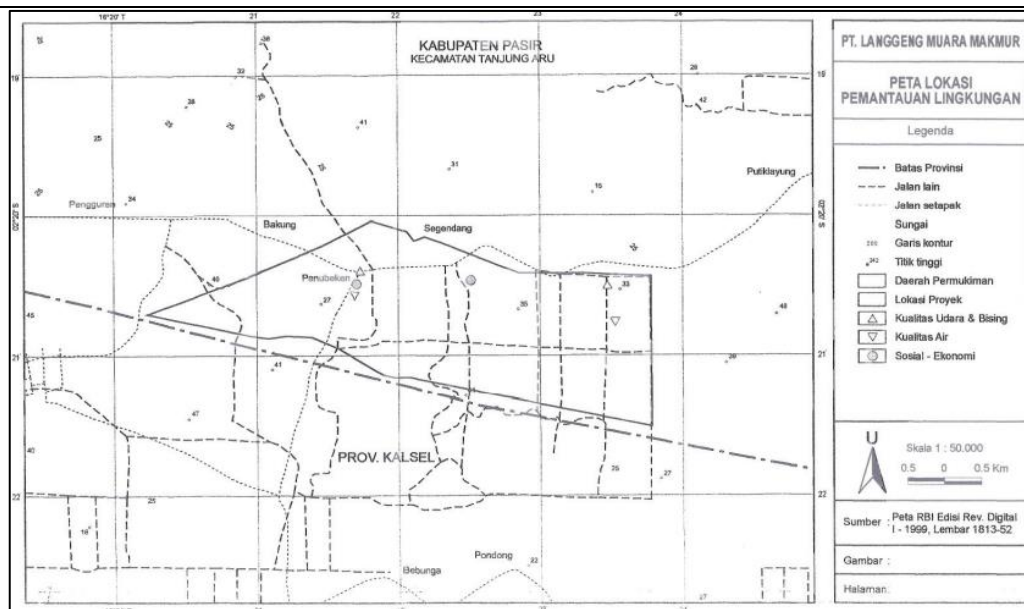
### Map of HGU Bebunga Estate (Division 1 – 3)



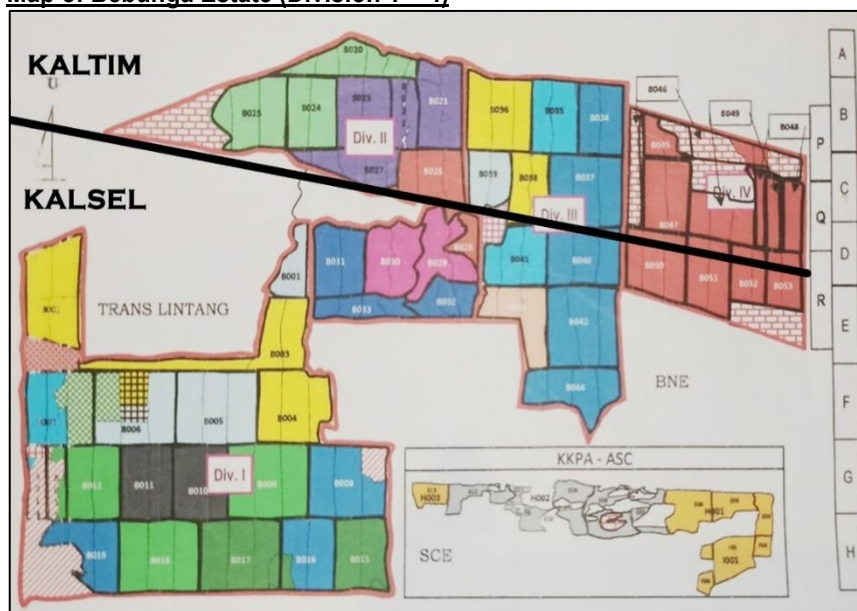
\* Caption: **Blue:** HGU Number 04 of 1998 covering an area of 828,774 ha in East Kalimantan Province. The HGU refers to the Location Permit No. 460.1/93/BPN-16.4/1999 covering an area of  $\pm 1000$  Ha, which was then made a request to change the Location Permit to an area of 1,213 Ha in 2007 with Number 06/T.Praja-SILP/VII/2007.

**Green:** HGU No. 12 of 1997 covering an area of 15,533 ha in South Kalimantan Province. The HGU refers to a reserve permit in accordance with SK 07/PL.84/1989/BPN-43 for an area of 21,840 ha in North Pamukan District, South Kalimantan.

### Map of Study Scope DPLH 2011



**Map of Bebunga Estate (Division 1 – 4)**



Based on the pictures above, it can be seen that the 2011 DPLH study did not cover the area of Division 4 Bebunga Estate which was included in the East Kalimantan Administration area. The results of the interview with the Kotabaru District Environmental Service also explained that the Office had provided a recommendation to renew the 1995 AMDAL document because the document is no longer relevant. The recommendation has been realized but has not been comprehensive because of the 4 companies included in the scope of the 1995 AMDAL document, only 2 companies have updated the AMDAL document.

Based on the evidence obtained, this is a discrepancy because the company has not been able to show that the scope of the 1995 AMDAL study is in accordance with the Company Entity, and all locations and/or operational activities of the company have

gone through the environmental impact assessment stage as stipulated in the regulations and applicable laws. **Non-Conformity Number 2022.01**

### **3.4.2**

The certification unit has made efforts to manage and monitor social and environmental impacts that are carried out independently by involving affected stakeholders. Some evidence of documentation of activities that have been carried out are as follows:

#### **Environmental Impact Assessment (EIA)**

Based on the results of the verification of the RKL-RPL document for Semester 2 of 2021, it can be concluded that all the management and monitoring parameters requested in the environmental document matrix have been implemented. The certification unit has also evaluated every parameter of significant impact monitoring carried out as required in KepmenLH 45 of 2005, which includes evaluation of trends, evaluation of critical levels, and evaluation of compliance. Based on the evaluation results, it is known that there are several parameters that are not in accordance with the applicable Quality Standards, but the results of interviews, document analysis and observations there are no indications of environmental pollution in the area around the company, this is explained in each related indicator. The effectiveness of environmental management and monitoring can be seen from the results of the analysis and the compatibility between the management and monitoring plans and their implementation in the field. Several things can be concluded from the results of the review of the RKL-RPL document for Semester 2 of 2021, including:

- Preventing soil, water and air pollution by reducing the use of chemicals, managing waste properly and complying with proper waste disposal in each area.
- Make efforts to save the environment by protecting areas important for environmental sustainability
- Manage and monitor the impact of potential land fires.
- Manage and monitor the quality of soil, air, water and other disturbances.
- Utilizing solid waste from palm oil mills as a substitute for fertilizers and fossil fuels.

This can also be proven from the results of field observations via video in the EFB storage area, the WWTP area and the Water Intake area as well as the conservation area. The results of interviews with communities around the company also stated that they did not feel any environmental impacts related to the company's operational activities. The company has also carried out environmental management in accordance with the RKL-RPL by installing signboards for conservation areas, markings in the form of stakes and red paint for spray boundary areas and other chemical applications. Based on the results of interviews with sprayer and fertilization officers, they also stated that they were aware of the prohibition on the use of chemicals in the buffer zone marked in red. In addition, they do not use chemicals when they are close to water bodies such as canals, reservoirs or artificial ponds.

unit of certification has also made an RKL-RPL report every semester which refers to the environmental management and monitoring matrix. Environmental management reports are carried out every 6 months and submitted to the relevant agencies, for example the RKL-RPL Report for Semester 2 of 2021 which is sent to the Kotabaru Regency Environmental Agency with proof of receipt dated January 9, 2022, which is accompanied by a stamp, signature and name of the recipient and proof of document delivery. Based on the results of interviews with the Environmental Service regarding reporting on the implementation of the RKL-RPL, the certification unit routinely does this and up to the time the audit was conducted there were no complaints or conflicts related to the environment from NGOs or local communities around the company.

#### **Social Impact Assessment (SIA)**

The 2010 SIA study results document is used as a guide in the preparation of social impact management programs which are updated annually, such as the 2022 Social Impact Management Plan document. In the document there are several social programs, including regular social assistance for the surrounding community, economic improvement through cooperation with companies, opening job vacancies, and improving community welfare through community empowerment programs. Program planning is carried out based on the results of the Focus Group Discussion in December 2021 conducted with stakeholders including the village community around the company as well as the results of the potential and risk analysis with evidence of documentation and attendance attached. The program is a general plan that will be implemented by the company based on



stakeholder needs analysis and stakeholder mapping related to the company, either directly or indirectly. Thus, the planned program is directed as far as possible to strengthen the company's relationship, communication and cooperation with all stakeholders.

The company also evaluates the Management Plan annually to monitor the progress of program management, for example, there are programs that need to be stopped, continued or added. The evaluation of the management plan refers to the results of the 2021 Social Impact Monitoring and Management document conducted in December 2021, the evaluation activity is also a reference in the preparation of the 2022 program. Based on the verification results of the 2021 Social Impact Monitoring and Management document, it can be concluded that all the activities listed in the 2021 Social Impact Management Plan have been implemented. The document also includes social programs to avoid/mitigate negative social impacts, partnership programs for farmers, human rights, CSR programs, gender equality, education and public health.

Based on the results of consultations with worker representatives, there is no form of discrimination against workers, no underage workers were found, the company has also fulfilled the rights of its employees, several important facilities for employees have been provided by the company such as housing, water, electricity, places of worship, public facilities. educational infrastructure (schools), and other facilities. The company also allocates resources for the maintenance of the entire facility. The resource persons also stated that they can voice their views through their own representative institution or a spokesperson they choose in the evaluation activities to review and develop mitigation plans, as well as monitor the success of the implemented plans.

Based on the results of field observations and external stakeholder interviews related to the management of social impacts carried out by the company for the period of 2021, it can also be concluded that there are no issues related to social impacts that have not been identified by the company. all potential social impacts have been managed such as for example:

- Issues related to employment regarding contract and casual workers.
- Issues related to replanting.
- Issues related to Plasma management.
- Issues related to dissatisfaction with CSR and job opportunities for the surrounding community.

### **3.4.3**

The unit of certification has made efforts in implementing the management and monitoring of social and environmental impacts as described in indicator 3.4.2. In addition, the certification unit also makes efforts to periodically update the management in a participatory manner. Some documentary evidence of the efforts that have been made are as follows:

#### **Environmental Impact Assessment (EIA)**

The company involves the Department of Environment and the Ministry of Environment and Forestry to monitor the results of environmental management that has been carried out by the company in the form of presenting RKL-RPL reports and other environmental management documents sent every certain period which can be proven in indicator 1.1.2. The company also does not block access to all environmental agencies if they are going to carry out field verification to their management areas. It aims to obtain advice and advice in carrying out environmental management in accordance with the vision, mission and government programs so that they can run synergistically. This can be proven based on the results of interviews with the Kotabaru Regency Environmental Service who conducted a field visit around December 2021 to conduct a study related to the process of preparing the Land Application permit document. Monitoring and updating related to environmental impact management is also carried out in conjunction with an evaluation of HCV management which is described in more detail in indicator 7.12.4. However, in general, all recommendations from the evaluation of HCV management carried out in a participatory manner will be carried out in line with the management and monitoring of environmental impacts.

#### **Social Impact Assessment (SIA)**

Based on the analysis of the 2021 Social Impact Monitoring Report document, the social impacts in this assessment are divided into positive impacts and negative impacts. The social impact assessment is carried out based on the perceptions of community representatives at the assessment location who represent the community. the company has analyzed the positive and negative impacts arising from each activity specifically, for example physical assets for production activities that have positive and negative

impacts on both external and internal levels, and so on as described in indicator 3.4.2. The company conducts annual evaluations to harmonize data collection related to public perceptions regarding the SIA Management Plan and adjust it to the latest needs according to conditions in the field.

In December 2021 the company has reviewed the management of social impacts for the period 2021 and developed a social management plan for the period 2022, in which the process has been participatory by involving relevant stakeholders that included internal and external. In the review activity, the company applied the 7 principles of the RSPO regarding the development of plantations that are responsible for social and environmental aspects by referring to the Free, Prior, Informed and Consent (FPIC) Principles. The principle of FPIC which is the basis for the company in carrying out the process of developing oil palm plantations, among others, involves women's representatives, village heads, land owners around the company's area, independent smallholders, and all affected parties. However, the Social Impact Review/Monitoring activity was hampered in collecting stakeholder data which had not been maximized due to the Covid-19 Pandemic. Some of the activities that have been carried out by the company to mitigate social conflicts in 2021 are:

- Regarding replanting activities, the company has arranged the felling activities so that the direction is towards the edge, to areas that are still covered by Estate, towards the border, or towards the forest, so that no animals are trapped in the middle of the replanting area and do not invade community Estate or villages. Provide clear guidance directions for excavator contractors/operators so as not to lead to villages or community Estate as well as monitor and control the mining process
- Regarding employment, the company has ensured the recruitment of workers from surrounding villages, either by replanting contractors in physical activities or recruitment by management in other replanting activities.
- Manage negative perceptions by socializing the impact of replanting and how to manage it, which is carried out at the level of employees and communities in surrounding villages who are expected to receive the impact of changes in the physical and biological environment.

Based on this, it can be concluded that all potential social conflicts that have been identified in the 2021 Management Plan have been implemented. The results of interviews with stakeholders also show that there are no negative issues related to the company, especially from replanting activities. The results of interviews with local village heads also stated that the community felt helped by the establishment of the company. One of the most influential things for society is the existence of plasma operation for the village. In addition, with the current company, the majority of people work as employees in the company.

3.4.1	Status: Non-Conformity Number 2022.01
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### 3.5

**A system for managing human resources is in place.**

#### 3.5.1 and 3.5.2

The human resource system demonstrated by the unit of certification, such as:

#### Recruitment procedure

The company has a procedure for accepting workers which is contained in several documents, namely:

- SOP for Employee Recruitment, Evaluation, Promotion, Retirement and Layoffs No. 02/KSP-KRY/II/2021 dated January 1, 2021.
- PKB Documents for the period 2022 – 2024 Chapter III Acceptance, Assessment, Appointment, Placement and Transfer of Employees.

In the procedure, it is explained that the minimum age for workers is 18 years, recruitment information is carried out openly, recruitment is free of charge, and there is no retention of workers' personal documents. Based on the interviews with worker representatives, for example SCE harvester in block I14 division 1 and manuring workers in block F16 BBE as well as sorting and grading operators in BBF, it is known that the recruitment procedure has been socialized to workers.

The company also shows sample documents for the latest employee recruitment, starting from a job application letter to a work agreement, for example as follows:

- Workers with the initials M.D who have sent their application letter on July 5, 2022 and have been accepted as workers through the acceptance stages determined by the procedure, for example: ability test, medical test, etc. The worker has received an SPK with Number 001/BBE-PKWT/VIII/2022 which was signed on August 8, 2022.

Contract workers have been reported with relevant agencies, for example for Report Using PKWT worker Number 005/BKE-DISNAKER/01/2022 at Bakau Estate. Proof of recording in the form of a stamp of acceptance by the Transmigration and Manpower Office of Kotabaru Regency on January 10, 2022.

### Payroll and incentive systems

The salary system is regulated in the Collective Labor Agreement document for the period 2022 - 2024 Chapter VI Wage and Assistance article 30. In the document it is explained about the worker's remuneration procedure which includes components of wages, minimum wages for workers, calculation of overtime, incentives/premiums and other provisions related to wages.

The wage reference used by the certification unit is Decree of the Governor of South Kalimantan Number 18844/0757/KUM/2021 concerning the District/City Minimum Wage in 2022 in the Province of South Kalimantan. In the document, it is explained that the minimum wages Kotabaru Regency in 2022 is IDR 3,048,796.89. Furthermore, there is the determination of wages by the unit of certification in accordance with Inter-office Mail Number 018/HRM-i5.1/XII/2021 concerning Structure and Scale of SKU Workers' Wages for PT BSS, PT LMI, PT SAA, PT LMR and PT PSA in 2022 issued on December 20, 2021. In the document explained that the wages of PT LMR workers in 2022 were IDR 3,048,797 which is valid from January 1, 2022.

Based on the results of a review of workers' wages documents for July 2022 for harvesting, maintenance, and processing work at the mill, it is known that the payment of workers' wages for that month has been in accordance with the company's wage determination in 2022. The following is an example of a July wage document as follows:

- Harvesters with the initials A.A.H receive a salary of IDR. 4,416,103.
- Fertilizers with the initials N.W.K receive a salary of IDR. 3,285,794.
- Boiler operators with the initials PND get a salary of IDR. 5,420,287.

### Career path and achievement assessment, Termination of employment and retirement system

The career path system and work performance assessment are regulated in the following documents:

- SOP for Employee Recruitment, Evaluation, Promotion, Retirement and Layoffs No. 02/KSP-KRY/I/2021 dated January 1, 2021.
- CLA Documents for the period 2022 – 2024 Chapter III Acceptance, Assessment, Appointment, Placement and Transfer of Employees.

The document describes the procedures for evaluating the performance and career paths of workers (promotions, demotions, and transfers). The company shows examples of employee performance appraisals and promotions, for example:

- WLD (initial) work performance appraisal document for the 2021 assessment period that informs the assessment criteria, assessment results and follow-up on the results of the assessment.
- Promotional document in the form of Inter-Office PNM (initial) Employee Appointment Number 178/BBE-Div.01/V/2022 issued on May 31, 2022. The employee is promoted from Unspecified time work agreement (PKWT) status to Specified time work agreement (PKWTT) or permanent status.
- Collective agreement number 001/PB-BBF/XII/2021 on December 24, 2021 has been mutually agreed and agreed to terminate the employment relationship due to having entered retirement at the age of 55 years on behalf of SKT (initial)

Based on the interviews with Transmigration and Manpower Agency of Kotabaru Regency, company had been applied the existing labor procedures in accordance with the regulations. During 2021-2022, there were no issues related to manpower.

**Status: Comply**



### 3.6

#### An Occupational Health and Safety (H&S) plan is documented, effectively communicated and implemented.

##### 3.6.1 & 3.6.2

All operating activities have been assessed for risk to identify OHS issues, which are listed in:

- HIRAC Estate Region KSP document in 2022, which explains risk identification according to work, hazard, effect, risk control and residual risk for work, including nursery, security, observation of HGU stakes, HCV observations, plant pests census, pest spray fogging/fullpogs, trunk injection & npv virus application, rat poison application, mess employees, harvesting & loading, shoots, manuring & jkk application, spraying, workshop, water treatment installation, outpatient care, emplacement care, box owl brawn, warehouse, large office & division employees, heavy equipment operators and others.
- HIRAC Mill Region KSP document in 2022, which explains risk identification according to work, hazard, effect, risk control, residual risk and PIC for work, including Loading Ramp Stations, Boiling Stations, Press Stations, Clarification Stations, Kernel Stations, Oil & Kernel Dispatch Stations, Boiler Stations, Water Treatment Stations, Engine Room Stations, Empty Strand Stations, Waste Application Stations, Laboratory Stations, Warehouse Stations, Workshop Stations and others.

The company has prepared plans/programs related to OSH, for example at Bebunga Estate which is compiling an OHS work program in 2022, which includes OHS committee Meeting activities, checking emergency response facilities, socializing OHS at work and health checks. Documentation of the realization of the program, including first aid training on 12 January 2022 which was attended by 30 participants, spray training on 20 July 2022 which was attended by 9 participants, etc.

The company also has a plan for periodic health checks for all employees with types of examinations including spirometry, cholinesterase, audiometry and physical examination of occupational diseases. For the 2022 MCU, the company showed an agreement to conduct an MCU with the Simpang Clinic through letter No RTC-AWD/053/VII/2022 dated 25 July 2022. Based on interviews with employee representatives, the MCU was held in August 2022, which was attended by 1,155 people and waiting checkup result. The health examination for the 2021 period was carried out on March 10, 2021, and from the results of the examination there were no employees who had health problems.

Monitoring the effectiveness of the OHS plan in dealing with health & safety risks can be seen in the OHS committee report document. OHS committee reports have also been reported to relevant agencies, for example, the last time was reported on July 8, 2022 for the reporting period for the second quarter of 2022 which has discussed several things, for example regarding the recording of PPE provision, monitoring of PPE completeness, monitoring of emergency response facilities and infrastructure, recording of meetings routine, work accidents, HIRAC, periodic health checks and evaluation of OHS programs.

Independently, the company also conducts regular inspections and maintenance of the equipment and machines used. The company also shows a list of workers who have a license for each job, for example:

UNIT	EMPLOYEE NAME	TRAINING	LICENSE NUMBER	VALIDITY PERIOD
LNE	Asrun	Heavy equipment Operator	111314-OPK3-LT/PAA/IV/2018	02-Apr-23
	Asnawi	Generator Operators	3944/PM/PTP/VI/2018	05-Jun-23
	Hattang Fabby	Generator Operators	3945/PM/PTP/VI/2018	05-Jun-23
BKE	Jeki Pormito	Heavy equipment Operator	140606-OPK3-LT/PAA/IV/2019	08-Apr-24
	M. Hasan	Heavy equipment Operator	140608-OPK3-LT/PAA/IV/2019	08-Apr-24
	Juanda Ullu	Heavy equipment Operator	140610-OPK3-LT/PAA/IV/2019	08-Apr-24
	Achmad Arifin	Heavy equipment Operator	140611-OPK3-LT/PAA/IV/2019	08-Apr-24
	Hormansyah	Generator Operators	6050/PM/PTP/IV/2019	08-Apr-24
BBE	Sodiq Mahmud	Generator Operators	6058/PM/PTP/IV/2019	08-Apr-24
	Miswan	Heavy equipment Operator	140604-OPK3-LT/PAA/IV/2019	08-Apr-24
	Aziz Toba	Heavy equipment Operator	140605-OPK3-LT/PAA/IV/2019	08-Apr-24
	Yohanis Lema Gang	Heavy equipment Operator	140607-OPK3-LT/PAA/IV/2019	08-Apr-24
	Samin	Heavy equipment Operator	140618-OPK3-LT/PAA/IV/2019	08-Apr-24
	Pujianto	Generator Operators	6048/PM/PTP/IV/2019	08-Apr-24
	Putut Sujiono	Heavy equipment Operator	140609-OPK3-LT/PAA/IV/2019	08-Apr-24

	Abdul Ibrahim	Heavy equipment Operator	140623-OPK3-LT/PAA/IV/2019	08-Apr-24
BBF	Mursadi	Boiler Operators	13806.OPK3-PUBT-B.I/XI/2018	05-Nov-23
	Pendik	Boiler Operators	13807.OPK3-PUBT-B.I/XI/2018	05-Nov-23
	Triyono	Generator Operators	6047/PM/PTP/IV/2019	08-Apr-24
	Dian	Generator Operators	6059/PM/PTP/IV/2019	08-Apr-24
	Ujianor	Crane Operators	92591-OPK3-OC/PAA/IV/2019	08-Apr-24
	Faid	Crane Operators	92592-OPK3-OC/PAA/IV/2019	08-Apr-24

**Status: Comply**

### 3.7

**All staff, workers, Scheme Smallholders, outgrowers, and contract workers are appropriately trained.**

#### 3.7.1 & 3.7.2

The company has shown results of training identification and program for 2021-2022 in order to improve the competence and expertise of all workers including contractors and smallholders. The company had identified the needs of competence standard and the proposed training for each worker (including contract workers). The certification unit has identified and carried out training for the 2021-2022 period including the following:

- Emergency response simulations: Land fires and using fire extinguishers.
- Training: First Aid, Control of hazardous and toxic material and its waste, Identification of Environmental Aspects, handling of pesticides, OHS, Problem solving,
- Socialization: Communication SOP, HCV, RSPO and ISPO awareness

The company also showed that they had properly documented every training activity and socialization that had been carried out to all workers, contractors, smallholders, and related stakeholders. The following is an example of training/socialization documentation that had been carried out, for example:

- Socialization of first aid to workers on January 5, 2022.
- Socialization of High Conservation Value to the community around the plantation on July 25 – 28, 2022.
- Training of Environmental Awareness for workers on April 29, 2022.
- Training on proper and proper spraying techniques for spray workers on April 29, 2022.
- Training and socialization safety to FFB loader workers on September 13, 2021.
- Training and socialization of hazardous waste management on Oktober 12, 2021
- Training and socialization safety driving on July 5, 2021
- Simulation of emergency response, firefighting (fire extinguisher and hydrant) and first aid on April 23, 2022.
- Socialization of Communication SOP to contractor and surrounding community on January 27, 2022.

Based on field observations and interviews with workers (harvesters, nursery workers, warehouse officers, and mill operators) and contractor workers, it is known that the company provides some training programs due to upgrade the worker's expertise and competence. All workers also showed their understanding of duties and responsibilities for each job quite well.

#### 3.7.3

The company showed minutes of meeting SCCS training and outreach on August 19, 2022 which was attended by 6 participants, namely assistants, production assistants, lab analysts, grading foremen, weighing operators, and security. Based on the socialization, it is known that the supply chain model used by the company is IP. The results of interviews with production managers and weighbridge officers during the field visit revealed that they were able to properly explain the supply chain implemented by mill.

**Status: Comply**

### 3.8

**Supply Chain Requirements for Mills**

#### 3.8.1 & 3.8.2

SCSS module used in Bebunga POM is Identity Preserved (IP), because only received FFB from the estate which has been certified with RSPO i.e Bebunga Estate, Sungai Cengal Estate, Bakau Estate and KKPA Area Sungai Cengal (certified scheme smallholder).

### 3.8.3

Estimated certified product recorded in the last Assessment Report and Certificate, and updated in the RSPO Palm Trace. Actual certified produced has been verified during this assessment. The estimates of certified production for the next license period also have been set, in reasonable amount taking into account the last year production. The data are shown in the following table:

Product	Estimate Production period of June 16, 2020 – Dec 15, 2022	Actual Production (MT) of previous audit (June 2020 to July 2022)	Estimate Production for 12 month (MT)
FFB	280,760	258,054.43	115,200
CSPO	60,282	54,356.06	24,200
CSPK	13,122	12,628.50	5,200

### 3.8.4

The Mill has registered as RSPO member under Sime Darby Plantation Berhad (No. 1-0008-04-000-00) and also registered in palm trace as Bebunga Palm Oil Mill - PT Langgeng Muaramakmur with License ID CB102592, and Member ID RSPO\_PO1000000324.

Bebunga POM, PT Langgeng Muaramakmur has been registered in IT platform palm trace RSPO <https://palmtrace.rspo.org/web/rspo/member-directory> which information as follows:

- Member Name: Bebunga Palm Oil Mill - PT Langgeng Muaramakmur
- License ID: CB102592
- Core Product: Palm Oil
- Member ID: RSPO\_PO1000000324
- Type of Business: Oil Mill
- Supply chain model: Identity Preserved

### 3.8.5

The company shows the RSPO SCCS manual procedure, RSPO Supply Chain Certification Standard with document number SCCS-Std/RSPO/PSQM/02 no revision 02 date on 01 December 2020 which is approved by the PSQM Manager. This procedure informs purchases & incoming goods, third party activities (outsourcing), sales & outgoing goods, transaction registration, training, record keeping, conversion factors, claims, complaints, management reviews.

### 3.8.6

The Procedure to conduct annual internal audit including supply chain refers to Procedure No. 21 dated 2 January 2018. In the SOP mentioned that internal audit is done annually. Internal audit of SCCS describe the requirements in the RSPO SCCS and the RSPO market communications and claims documents and effectively implements and maintains the standard requirements. Unit of certification has conducted internal audit for RSPO standard, including supply chain conducted by Strategic Planning and Sustainability Division from Head Office. Internal audit held on 25 – 30 February. Based on result of internal audit, known that there is three nonconformities against SCCS standard in P&C. All nonconformities has been followed up and stated comply.

### 3.8.7

Product	Estimate Production period of June 16, 2020 – Dec 15, 2022	Actual Production (MT) of previous audit (June 2020 to July 2022)
FFB	280,760	258,054.43

CSPO	60,282	54,356.06
CSPK	13,122	12,628.50

Based on the table above, it is known that there has been no overproduction between the license quota and the actual production. Related for handling non-conforming oil palm products, has been set in RSPO Supply Chain Certification Standard with document number SCCS-Std/RSPO/PSQM/02 no revision 02 date on 01 December 2020

### 3.8.8

Based on document verification obtained information in the license period it was known if the certified product sold under RSPO and conventional as described in the table below:

Despatch period (MT) (June 2020 to July 2022)	
CSPO sold under RSPO Scheme	594.90
CSPO sold under other scheme	0
CSPO sold as conventional	50,485.30
CSPK sold under RSPO Scheme	11,672.20
CSPK sold under other scheme	0
CSPK sold as conventional	0

Product	Actual Production (MT) of previous audit (June 2020 to July 2022)
FFB	258,054.43
CSPO	54,356.06
CSPK	12,628.50

Based on the data, there is no over sales of certified products or any non-certified products that are claimed to be certified products. Examples of sales documents shown include :

<b>Seller</b> Member Name : Sime Darby Plantation – Bebunga POM, PT LMR Member ID : RSPO_PO1000000324	<b>Product Details</b> Product Name : CSPO Supply Chain Model : IP Volume : 90.98 MT
<b>Buyer</b> Member Name : PT Sime Darby Oils Pulau Laut Member ID : RSPO_PO10000003174	<b>Transport</b> Shipping/BL Date : 01/10/2021
<b>Transaction</b> Seller Contract Number : 00605/00558/09/21/L- LMR-CPO Buyer reference Number : P/GHN/0921/CPO04526	<b>Traceability</b> Transaction ID : TR-13cae7f7-87cf Creation date : 14/10/2021 Confirmation date : 14/10/2021

### 3.8.9

The certificate holder has the agreements with a third parties in terms of transporting CPO & PK that ensure the compliance of RSPO SCCS and the certification bodies have access to the outsourcing contractor or operation if an audit is deemed necessary. Examples of these contracts are as follows:

- CV Tujuh Putra (CPO transporter), agreement No. 009/Jasa Pengangkutan/LMR BBF-CV.Tujuh Putra/IX/2020 dated 12 September 2020.
- CV Nayla Makmur Jaya (PK transporter), agreement No. 014/BBF/SPK-LKL/XI/2020 dated 2 November 2020.

**3.8.10**

Transportation of CPO and PK has been carried out by third parties and the company has contact detailed records of the contractors used, as follows:

- CV Tujuh Putra (CPO transporter) address in Village of Lintang Jaya, Sub District of North Pamukan, District of Kotabaru, Province of South Kalimantan
- CV Nayla Makmur Jaya (PK transporter) address in Village of Tamiang, Sub District of North Pamukan, District of Kotabaru, Province of South Kalimantan.

**3.8.11**

There is no new contractor since remote audit ASA-1.4 until onsite RC-2

**3.8.12**

Bebunga POM has record of all Certified FFB, CSPO and CSPK as presented in the table below (IP Module) :

Product	Actual Production (MT) of previous audit (June 2020 to July 2022)
FFB	258,054.43
CSPO	54,356.06
CSPK	12,628.50

	Despatch period (MT) (June 2020 to July 2022)
CSPO sold under RSPO Scheme	594.90
CSPO sold under other scheme	-
CSPO sold as conventional	50,485.30
CSPK sold under RSPO Scheme	11,672.20
CSPK sold under other scheme	-
CSPK sold as conventional	-

Based on the keeping, it is known that:

- CSPO production is 54,356.06 and sold as RSPO certified amount 594.90 MT and conventional amount 50,485.30 MT so that CSPO stock is 3,275.84 MT
- CSPK production is 12,628.50 MT and sold as RSPO product amounting to 11,672.20 MT so that CSPK stock is 956.50 MT

**3.8.13 & 3.8.14**

The conversion rate of production of CPO (OER) and PK (KER) were based on actual daily, monthly and yearly production. The extraction rate follows the actual data for a 26-month period for June 2020 until July 2022 i.e OER 22.00% and KER 4.5%. Periodically update of extraction is actual extraction.

**3.8.15**

SCSS module used in Bebunga POM is Identity Preserved (IP), because only received FFB from the estate which has been certified with RSPO i.e Bebunga Estate, Sungai Cengal Estate, Bakau Estate and KKPA Area Sungai Cengal (certified scheme smallholder). The Mill has SOP for the implementation of supply chain in the identification procedure and Traceability. Result of verification to the SOP and document review shown there was no uncertified FFB process by Mill, as well as separated during transportation.

**3.8.16**

Bebunga POM during the current license period (June 2020 – December 2022) performs the following transactions :

- CSPO production is 54,356.06 and sold as RSPO certified amount 594.90 MT and conventional amount 50,485.30 MT so that CSPO stock is 3,275.84 MT
- CSPK production is 12,628.50 MT and sold as RSPO product amounting to 11,672.20 MT so that CSPK stock is 956.50 MT

For products sold as conventional, remove stock or credit allocation has been carried out with the following evidence:

### Stock Transactions

Stock Transaction ID	Date	Product	Supply Chain Model	Transaction Type	Volume
ST-TR-445e4535-4600	19-03-2021	CSPO	Identity Preserved	Remove From Certified Stock	19.709
ST-TR-43497a11-8378	31-03-2022	CSPO	Identity Preserved	Credit Allocation	15.000

\*Volume in MT

From shipping announcement verification, known that shipping announcement carried out not more than 3 months after dispatch. For example Transaction ID : TR-13cae7f7-87cf for CSPO with volume 90.98 MT and the shipping date is 01 October 2021 while confirmation date on 14 October 2021

### 3.8.17

Based on announcement and transaction report documents review, it concluded that all RSPO certified products submitted are in compliance with the RSPO Rules on Market Communications and Claims.

**Status: Comply**

## PRINCIPLE #4 RESPECT COMMUNITY AND HUMAN RIGHTS AND DELIVER BENEFITS

### 4.1

**The unit of certification respects human rights, which includes respecting the rights of Human Rights Defenders.**

#### 4.1.1

The company has established a Code of Business Conduct (signed by the Executive Deputy Chairman & Managing Director on August 2018). The document states that the Group has a responsibility to respect, support and uphold human rights as stated in the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights through commitments which include but are not limited to providing opportunities respecting freedom of association, eliminating all forms of exploitation, ensuring favorable working conditions, promoting safety and health, respecting community rights and the rights of indigenous peoples, protecting the rights of vulnerable people, protecting children's rights, and eliminating sexual violence and abuse. The Company also does not tolerate retaliation against individuals who disclose actual or suspected violations in good faith.

This policy is available to the public on the company's website in two languages (Indonesian and English) and has been communicated to workers and contractors, for example the work carried out at Bebunga Estate on July 27 2022 which was attended by 18 participants and socialization to contractors on July 27 2022 which was attended by 5 people.

#### 4.1.2

The company has a SOP on Handling Conflicts, Disputes & Land Compensation Mechanisms No 065 / FPIC-PSD / 2012 dated 1 March 2012 and a SOP on Handling Worker Complaints / Complaints No 004 / AIP-PKK / VIII / 10 Rev 01 dated 2 August 2010 which explains that every problem and conflict will be resolved by means of mediation and deliberation, and if no agreement is found it will be resolved by legal means (court or police).

In addition, the company also does not use security officers to carry out interference (nuisance) and extra-judicial intimidation. Security officers are only used as security guards and handling criminal acts in operational areas.



Based on estate and mill field visits as well as interviews with community representatives, it was stated that the company did not use security forces to intimidate and it was found in the field that security officers were security guards who guarded the company's operational security.

**Status: Comply**

### 4.2

**There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.**

#### 4.2.1 & 4.2.2

The unit of certification has RSPO public consultation and communication procedures with number 016/Admin-RSPO/21 dated July 1, 2021 and the protection for whistleblowers is contained in the document guidelines and procedures for reporting violations (Whistleblowing Reporting) has been socialized to the internal and external stakeholders.

In the SOP also mentioned that the company guarantees the anonymity of the reporting and the revealer of the case (whistleblower). Head of Administration is responsible for hearing and record all complaints and grievances that exist both orally and in writing from the external.

The deadline for responses to requests for information or conflicts is 2 weeks. SOP contains an explanation of communication procedures in terms of requests for information. To ensure that the procedure can be understood by employees who cannot read and write is to conduct socialization directly to all employees.

For example, company has shown minutes of socialization of company's policy to workers on June 21, 2022. Besides, company has also conducted socialization of human rights policy to external stakeholders on July 27, 2022.

Based on the interviews with the surrounding communities (Balaimea Village) and workers, it revealed that they had a good understanding of the communication procedures and personnel who served as communicators between the company and the community so that illiterate people can be informed by the related communicators. In addition, during the past year, there were no complaints or disputes that occurred between the company and the surrounding communities.

#### 4.2.3 & 4.2.4

The whole recording and handling of related complaints recorded in the Monitoring Form Handling Complaints and dissatisfaction document. Based on the documents review of the worker's grievance logbook period of 2021 to 2022, it is known that the complaints received by the company are related to facilities. Company then showed the compliance of these complaints in accordance with agreed timeframe in its procedure, for example:

- Complaint from J.U.D which was submitted on 22 August 2022 regarding the repair of the septic tank. The company then showed the handling of the complaint in the document for repairing the septic tank in the housing which was carried out on August 24, 2022.
- Complaints from A.K which were submitted on 02 February 2022 regarding road repairs in division 3 housing. The company then demonstrated the handling of these complaints in the Complaint Response document which was conducted on 10 February 2022.

Company has also shown record of complaints received from external stakeholder in 2021-2022. Based on document verification, there is no complaint from external stakeholders on 2021-2022. Besides, based on interview with estate workers, it also showed that company has responded if there is any complaint directly after complaints submitted. The conflict resolution mechanism includes the option of access to independent legal and technical advice.

**Status: Comply**

### 4.3

**The unit of certification contributes to local sustainable development as agreed by local communities.**



### 4.3.1

The company has a Corporate Social Responsibility Procedure No. 360/TJSL-CSR/COM dated November 9, 2015. The procedure includes stating that the executor, coordinator, and executor of the CSR program conduct a discussion forum with stakeholders no later than 6 months prior to preparing the annual CSR budget. Discussion forum activities are carried out based on the priority scale needed by the community with 4 main pillars namely education, community empowerment, environment, and sports – youth.

Based on the results of interviews with representatives of Balaimea Village and Tamiang Village, it is known that routine meetings with companies have been restricted since the Covid-19 pandemic. However, the company continues to regularly attend MUSREMBANGDES to synergize the Village program and the social assistance that will be provided.

The CSR programs for 2022 include the following:

- Education: Teacher's Honorary Assistance, Scholarship Assistance, Free school, School transportation assistance, Facility repair assistance
- Community Empowerment: Partnership with local contractors
- Environment: Posyandu, socialization of the dangers of land fires
- Sports – Youth: Commemoration of National and Religious Holidays, Sports tournaments, celebrations and traditional celebrations

As for the realization of the program include:

- Teacher honorarium assistance every month
- Transportation of the Balaimea Village school transport
- Partnerships with local residents, for example to provide grass cutting services and maintenance of staff housing with CV Al Anwar Berkah and CV Sabina Berkah
- Funding assistance for the GEPAK organization (Gerakan Pemuda Asli Kalimantan).

**Status: Comply**

### 4.4

**Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their Free, Prior and Informed Consent (FPIC).**

#### 4.4.1

The company already has a HGU with an area of 16,990.75 Ha with the following details:

- Land title certificate No. 12 the year of 1997 covering 15,533 Ha
- Land title certificate No. 04 the year of 1998 covering 828.774 Ha.
- Land title certificate No. 0096 the year of 2019 covering 628.98 Ha

Of the entire area there is an area of 3,244.65 Ha which is not included in the scope of this certification (Lanting Estate) which is the supply base of Rantau POM. Thus the scope of the certification this time is 13,746.10 Ha.

Other than HGU, the company also has an IUP in accordance with

- Plantation Business Registration Letter No. 461 / Menhutbun-VII / 2000 for plantations covering an area of 15,533 ha and a Bebunga mill with a capacity of 60 tons of FFB / hour.
- Approval of Re-registration of Plantation Business Permits in accordance with SK 188.45 / 386 / KUM / 2009 for plantations covering an area of 15,533 ha and processing factories with a capacity of 60 tons / hour.
- Plantation Business Registration Letter No. HK.350 / 795 / Dj.Bun.5 / XI / 2001 for Estates covering an area of 828.77 ha in Paser District, East Kalimantan (Bebunga Estate).
- Cultivation Plantation Business Permit (IUP-B) for PT. Langgeng Muaramakmur from the Regent of Paser Regency through SK number 525/02/Ek.Adm.SDA/2015 dated 30 June 2015 for an area of 1,162.22 hectares (according to Location Permit Number 503/05/PEM-SILP/IV/2015 dated 22 April 2015) in Segandang and Keladen Villages, Batu Engau and Tanjung

Harapan Districts, East Kalimantan.

Regarding the IUP whose validity period has expired has become OFI in 2.1.1

#### **4.4.2 and 4.4.4**

Until now there has been no area expansion carried out by the company. Initially, most of the PT Langgeng Muaramakmur area was included in the forest area and had received land release from the Minister of Forestry in accordance with SK 526/KPTS-II/1994 dated 18 November 1994 concerning the release of forest area from the Cengal River forest group and its surroundings covering an area of 16,674 ha for business cultivation of rubber and oil palm plantations.

Documents showing the presence of the FPIC process can be seen in the documentation. The compensation process for community land tenure for oil palm plantations has been carried out in stages, the details are as follows:

- Report on the payment of compensation for phase IV for Bebunga estate, Segandang Village, sub-district of. Tanjung Aru and Pamukan Utara for an area of 68.79 ha.
- The 2007 land compensation document covers the process in Segandang Village, Kec. Batu Engau covering an area of 326 ha and also in Keladen Village, Tanjung Harapan sub-district covering an area of 231 ha.
- Report on the payment of Phase I and IV compensation at Bakau Estate Betung Village and Balamea Village (1994) for a land area of 101.50 ha.
- The 2007 land compensation documents cover the process of replacing 50.08 ha of land for Harun, Aluiy, Lukman, Nuruk, Opsan and Gusti hamdan.
- Compensation in 2007 for an area of 557 Ha for 41 land cultivators from Segandang Village and Keladen Village

Records of the compensation process include Minutes of Compensation Deliberation Meetings, Receipts of compensation, statements of land rights relinquishment, and photographs of documentation. All documents are presented in the language understood by both parties and known to witnesses. With this process, it can be concluded that the agreement regarding land acquisition has been carried out and agreed by both parties. In addition based on the interviews with representatives of Balamea Village, it is known that the land compensation process has occurred in the past and currently there have never been any problems related to the compensation process because it was based on the agreement of the parties.

#### **4.4.5**

Based on the results of interviews and document review, it is known that the community represented themselves during the negotiation process and the land compensation payment process. This can be seen from the land handover documents which are individual statements as well as receipts for payments for each person. However, all of these processes were also witnessed by parties such as representatives of the village government and representatives of land owners

#### **4.4.6**

An annual review of the agreements negotiated in the FPIC process can be seen in the social impact assessment which is updated every year, for example the 2022 Social Impact Assessment Plan with program formulation based on the FGD in December 2021. Social impact assessment programs include partnership programs for farmers, human rights, programs CSR, gender equality, education and public health.

Based on the results of interviews with representatives of Balamea Village and Tamiang Village, it is known that every year the company does conduct a social impact study involving stakeholders. Based on the description above, it can be concluded that the annual review related to FPIC has been covered in the corporate social impact assessment document. Otherwise the source person also stated that the benefits obtained by the community include access to education and health, the presence of CSR, and the opportunity to have plasma

#### **4.4.3**

The company already has an operational map with a scale of 1: 60,000 which includes information on HGU boundaries, occupation

areas, housing locations, block name and its boundaries, HCV areas, water sources, mill locations, and maps of planting areas. The map has shown the boundaries of the company legal rights. In addition, based on the SIA and HCV documents, it is known that there are no customary rights and other traditional rights within the PT LMR HGU area. The entire compensation process has been completed by the company and the evidence of compensation has been verified during the Initial Certification (1st cycle certificate) assessment.

**Status: Comply**

### 4.5

**No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their FPIC. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.**

#### 4.5.1; 4.5.2; 4.5.3; 4.5.4; 4.5.5; 4.5.6; 4.5.7; 4.5.8

Until now the company has not expanded the area. Based on the area statement, there are immature areas, but these areas are replanting areas and not new planting. The records related to FPIC are still the same as those discussed in the Initial Certification, for example shown by the land acquisition records that are known and agreed upon by the parties. As for the HGU certificate No 00096 issued in 2019 covering an area of 628.98 Ha, as the minutes of committee B in the HGU Decree stated that the acquisition of all land comes from a country that is free from the control of other parties.

Based on the results of interviews with representatives of Balaimea Village, it is known that the land compensation process has occurred in the past and currently there have never been any problems related to the compensation process because it was based on the agreement of the parties.

**Status: Comply**

### 4.6

**Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.**

#### 4.6.1 & 4.6.2

The company presented the SOP for Identification and Standard of Land Compensation (001/PSD-L&AS) dated June 3, 2011 which includes information on the stages of compensation and calculation of compensation according to the calculation standard. Based on the results of interviews with representatives of Balaimea Village, it is known that the land compensation process has occurred in the past and currently there are no problems related to the compensation process because it is based on the agreement of the parties.

There is a community area within the HGU with an enclave status, in which the area has not been released from the start to the company by the owner. This is an example of the company's recognition of community rights and a proof that there is no coercion in the land acquisition process.

#### 4.6.3

Based on interviews with representatives of Balaimea Village and Tamiang Village, it is known that there are no gender-based restrictions on land ownership rights. This can also be seen from plasma participation which does not discriminate against certain genders

#### 4.6.4

Until now there has been no new land acquisition by the company. The compensation process is still the same as described in Initial Certification, for example in the Report on Compensation Payments Phase I and IV at the Bakau Estate, Betung Village and Balamea Village (1994) for a land area of 101.50 ha. As for the HGU certificate No 00096 issued in 2019 covering an area of 628.98 Ha, as the minutes of committee B in the HGU Decree stated that the acquisition of all land comes from a state that is free from the control of other parties. Based on the interviews with representatives of Balaimea Village, it is known that the land

compensation process has occurred in the past and currently there have never been any problems related to the compensation process because it was based on the agreement of the parties.

**Status: Comply**

### 4.7

**Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their FPIC and negotiated agreements.**

#### 4.7.1 & 4.7.2

The company presented the SOP for Identification and Standard of Land Compensation (001/PSD-L&AS) dated June 3, 2011 which includes information on the stages of compensation and calculation of compensation according to the calculation standard. Based on the results of interviews with representatives of Balaimea Village, it is known that the land compensation process has occurred in the past and currently there are no problems related to the compensation process because it is based on the agreement of the parties.

There is a community area within the HGU with an enclave status, in which the area has not been released from the start to the company by the owner. This is an example of the company's recognition of community rights and a proof that there is no coercion in the land acquisition process.

#### 4.7.3

There is no additional expansion activity until this assessment. The company only conducted compensation for the area inside the HGU

**Status: Comply**

### 4.8

**The right to use the land is demonstrated and is not legitimately contested by local people who can demonstrate that they have legal, customary, or user rights.**

#### 4.8.1;4.8.2;4.8.3;4.8.4

Documents verifications, interview with managements and local community (Village of Balaimea and Tamiang obtained information there is no land conflict in PT LMR The results of interviews with representatives including previous land owner of Balaimea Village obtained information if that the entire operational area of the company had been compensated. The compensation process involved all community witnessed also by the Village Head, Customary leader, Sub district. Until the audit was carried out, there was no written complaint from the community regarding the land dispute.

However, within the company area there is still an occupation/enclave area of 826.09 Ha. The company has identified and mapped this area and set clear boundaries. The management representative explained that the area was originally owned by the owner who was not willing to GRTT. The current condition is that there is no open conflict that hinders the company activities. Based on the field visit to the occupational area of the Bebunga estate division 01, there is a shrub area with a marked boundary in the form of a company-owned road

The company also has a land dispute resolution procedure which stated any problems and conflicts will be settled by mediation and deliberation, and if no agreement is reached it will be resolved through law.

**Status: Comply**

## PRINCIPLE #5 SUPPORT SMALLHOLDER INCLUSION

### 5.1

**The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses.**

#### 5.1.1

Based on document review, field observations and interviews with staff and management, it is known that the company does not obtain FFB supplies from third parties. For the period 2020-2022, based on the results of document review and interviews with

management, information was obtained that the company only obtained FFB supplies from Plasma Plantation which was fully managed by the company, namely the Sungai Cengal KKPA. The price used in purchasing FFB for Plasma uses the price of the Plantation Service which can be accessed openly by related parties. The company can show an example of payment for the period of June 2022 which is paid directly to the account of the plasma managing cooperative according to the current price. The company can also show the Minutes of Meeting Results of the FFB Purchase Pricing Team for that period. The current and previous FFB prices are publicly available and can be accessed by plasma cooperatives online.

Prior to making a payment, the verification of the correctness of the payment calculation has been checked by both parties in the FFB sale and purchase calculation document, so that all complaints and confirmations related to payments have been completed before the payment is made. The pricing mechanism has been explained in the FFB sale and purchase agreement signed by both parties. Interviews with the management unit and plasma cooperatives as FFB suppliers also stated that the predetermined FFB price can be accessed by suppliers, information on price changes is carried out through online communication media and telephone from the PIC to the supplier.

### **5.1.2**

As explained in indicator 5.1.1, the plasma FFB price refers to the price determined by the Plantation Service. The company also has a mechanism for conveying prices which is done using email and communication media. Based on the results of interviews with plasma farmers, it was stated that the price set by the company was in accordance with the price set by the local Plantation Service, where if there was an update on the price, the company immediately conveyed it through communication media and posted it on the bulletin board at the Cooperative office.

The company can also show proof of plasma management transparency by showing details of production and costs for the month of June 2022 where in the document there is a table that explains FFB production data and details of management costs from discounted fees, maintenance costs, fertilizer costs and others. This is conveyed to the plasma managing cooperative and has received approval from the cooperative management with proof of stamp before making payment. The results of the interview with the plasma administrator of the Sungai Cengal KKPA also stated that the price distribution was quite clear and there were no complaints regarding payments.

Based on the results of verification of proof of FFB sales calculations that have been agreed upon by both parties, it explains that the total value of FFB sales is deducted for PPh 22 by 0.25% of income, costs of harvesting, transportation, fertilization, management (6.5%) and costs VAT (10% of management fee). After the cost deduction is made, the value obtained is then distributed entirely for credit payments to the Bank. Payments are made every month with proof of payment recapitulation of Plasma FFB for the period January – June 2022 and proof of transfers made on July 15, 2022 for the FFB purchase period in June 2022. Based on this, the company has been able to show evidence that the unit of certification provided an explanation regarding the determination of FFB prices on a regular basis to farmers.

### **5.1.3**

The company has determined the fair price that has been agreed with KKPA as outlined in the Cooperation Agreement, in the document there is a statement that the price set for the determination of the selling price of FFB is the price set by the Plantation Service, so the parties hereby declare that they will comply with the determination the price so that neither party nor the other has the right to ask for a price increase or decrease. Because plasma management is carried out in full by the company, the FFB specifications produced are in accordance with the required standards. The company can show a Cooperation Agreement with Plasma Smallholders as evidenced by document Number 525.31/KEP-341/2019 concerning the Determination of Partnership Program Plasma Smallholders which was legalized by the Regent of Paser on April 18, 2019.

Based on the document review and interviews with the Plasma Cooperative, it can be concluded that the company has determined a fair price that explains all components including the determination of the value of premiums, savings, treatment costs and other discounts, all of which have been agreed upon by all related parties and are documented in the form of a cooperation agreement and proof of payment.



**5.1.4**

The company can show evidence that the representatives of the cooperative as plasma administrators were included in the drafting of the contract. The document contains agreements such as maintenance financing, loans/credits, repayments through FFB deductions for the replanting program and/or other support mechanisms that have been signed by all representatives of the cooperative, witnesses and the company. This shows that all relevant parties have been involved in the decision-making process and understand the contents of the contract. The following is the MoU between PT LMR and Plasma farmers as evidenced by document Number 525.31/KEP-341/2019 regarding the Determination of Partnership Program Plasma Smallholders which was ratified by the Regent of Paser on April 18, 2019.

The development of plasma plantations is also carried out to improve the welfare of the communities around the plantations where currently the management related to plantations is still carried out entirely by the company's management by assigning Managers and Assistants to help manage plasma within the scope of their management areas. Cooperatives play a role in managing the finances obtained from the sale of FFB and distributing them to all members. Cooperative members consist of the community around the company who want to be involved, not limited to men or women. Regarding the involvement of women in decision-making, it can also be proven from the results of interviews with the head of the cooperative which stated that plasma land was given to all communities living in the designated village, not limited to men or women. The informant stated that the contract was made with the agreement of both parties without any coercion, intimidation and discrimination.

**5.1.5**

As explained in indicators 5.1.1 - 5.1.4 related to the Cooperation Agreement with Plasma Cooperatives, the results of the verification of the Cooperation Agreement Letter document indicate that all existing contracts have been made fairly, in accordance with applicable laws, are transparent and have a mutually agreed period of time. . The results of the interview with the Cooperative Management stated that all members have understood the stipulated provisions such as the determination of FFB prices, management fees, management fees, loans, disputes, and others as described in indicator 5.1.2. The agreement has also been made in accordance with applicable laws in a fair, transparent and has a clear time frame.

**5.1.6**

The Cooperation Agreement Letter explains the procedure/system for payment for the sale of FFB. Payment is made based on the Minutes of the FFB sale and purchase which has been agreed and signed by all parties. Based on the results of the study of the proof of FFB payment documents to the Sungai Cengal APKS as well as the minutes of the presentation of the results and an explanation of the operational costs for the period of June 2022, it shows that the payment has been made on time and can be proven through a receipt for payment. The plasma FFB payment is valid for the period 1-31 June 2022. The payment has been completed with income from each farmer group, fruit tonnage, and price according to the period. Based on the results of the verification of the Plasma FFB price and proof of calculation from the payment recapitulation data, it is known that the payment has been in accordance with the price set by the Plantation Service. The proof of payment document also explains the details of production and period costs per month, FFB production data and details of management costs, maintenance costs and fertilization costs. The document is also submitted to the cooperative through a meeting attended by representatives of the cooperative and has been approved with proof of stamp.

**5.1.7**

The company has tested the electronic weigh bridge which was carried out on December 21, 2021 for Bebunga POM by Department of Commerce and Industry, Kotabaru Regency and valid until December 21, 2022 with evidence, among others:

- Test Result Certificate number 510.3/118/DISKOPERINDAG/XII/2021 with serial number 104550384 and maximum capacity 40,000 Kg.
- Test Result Certificate number 510.3/119/DISKOPERINDAG/XII/2021 with serial number C02452 and maximum capacity 40,000 Kg.

The results of observations and interviews with weigh bridge operators obtained information that the certification unit has routinely

performed the calibration of weighing equipment by third parties.

### 5.1.8

The results of interviews with the company stated that currently all FFB suppliers do not come from independent farmers but groups of farmers who have joined the Plasma Management Cooperative with a partnership program, namely the Sungai Cengal KKPA. The company also stated that the Sungai Cengal KKPA has RSPO certification which is incorporated with the Plantation Group on behalf of PT Laguna Mandiri. Based on this, the certification unit as a Group Company has supported independent smallholders with certification, although in its management it is still fully managed by the company.

### 5.1.9

The mechanism, open to all affected parties and resolve disputes management in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers (where requested) are presented in their procedures SOP for Community Complaints Handling and SOP for Worker Complaints Handling. Based on the procedure all complaint submitted to Division Assistant and written in the register book, the SOP has been explained related on the secrecy of whistleblower. In the procedure was not explained explicitly about the way in submitted the complaint through the RSPO Complaints System, however based on interview with labor union it was mentioned that the complaint submission through RSPO was understood. Based on internal and external stakeholder consultation (to the workers, Labor Union, Gender Committee, local contractor, Head of Sebangau Village, Head of Cooperative of Bina Swadaya, and Head of Pamukan Utara Sub-District), known that the stakeholders already known the mechanism of consultation, or to submit complaints and grievances, and the mechanism is accepted and considered effective for them.

**Status: Comply**

## 5.2

**The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains.**

### 5.2.1

The results of interviews with the company stated that currently all FFB suppliers do not come from independent farmers but groups of farmers who have joined the Plasma Management Cooperative with a partnership program, namely the Cengal River KKPA. The company also stated that the Sungai Cengal KKPA has RSPO certification which is incorporated with the Plantation Group on behalf of PT Laguna Mandiri. Based on this, the certification unit as a Group Company has supported independent smallholders with certification, although in its management it is still fully managed by the company.

### 5.2.2

The company has made improvements to the welfare of the communities around the plantations by developing and fully managing plasma plantations and regularly conducting socialization related to RSPO certification. Currently, the management of Plasma has not been fully managed by the cooperative management, the company is still providing assistance to ensure that the management of oil palm cultivation is in accordance with RSPO standards. In addition, companies can also show socialization documents on best practices in oil palm cultivation, work safety, environment, fire, benefits of RSPO, and recommendations to register for the RSPO which will be conducted on February 2, 2022, which were submitted to plasma farmers attended by 17 participants.

### 5.2.3

The results of interviews with the company stated that currently all FFB suppliers do not come from independent farmers but groups of farmers who have joined the Plasma Management Cooperative with a partnership program, namely the Cengal River KKPA. The company also stated that the Sungai Cengal KKPA has RSPO certification which is incorporated with the Plantation Group on behalf of PT Laguna Mandiri. Based on this, the certification unit as a Group Company has supported independent smallholders with certification, although in its management it is still fully managed by the company.

### 5.2.4



When the audit was conducted, the collaboration between the certification unit and plasma was carried out with a full managed plasma management system where the management of plasma plantations was fully managed by the Company. Because the management is carried out by the Company, all employees working in plasma plantations are workers who have been trained by the company in handling pesticides, treatments, fertilization and others. The company also continues to provide assistance in plantation management in accordance with RSPO standards. The training activities can be proven based on the minutes of pesticide training to the Agrochemical Application Officer and Cooperative management on March 28, 2022, which was attended by 26 participants.

### 5.2.5

The unit of certification can show evidence that it has publicly reported the support program for smallholders, especially plasma farmers regarding its development which is carried out regularly. The evidence shown is based on the receipt of the 2021 LKUP Semester 2 submission document to the Kotabaru Regency Agriculture Office on 22 May 2022 as well as the 2021 CSR Report which is publicly accessible.

**Status: Comply**

## PRINCIPLE #6 RESPECT WORKERS' RIGHTS AND CONDITIONS

### 6.1

#### Any form of discrimination is prohibited.

#### 6.1.1

The certification unit has a policy on equal opportunity and treatment in employment opportunities which was stipulated by the Head Plantation Upstream Indonesia in December 2011. This policy explains that the certification unit provides equal treatment regardless of ethnicity, religion, race, nationality, gender, gender orientation, union membership, political affiliation, or age.

It was further explained that the certification unit is committed to complying with all applicable labor laws and regulations relevant to the certification unit's business activities as well as complying with the certification unit's internal procedures. The unit of certification is committed to achieving this by providing equal employment opportunities regardless of race, ethnicity, religion, caste, nationality, disability, gender, sexual orientation, union membership, political affiliation, or age.

The unit of certification explains that a non-discrimination and equal employment opportunity policy is available in each unit and can be accessed by all workers, colleagues and the surrounding community.

Based on the list of employees updated August 2022 provided by the company, it is known that the composition of workers comes from various ethnic groups, religions and races. Interviews with worker representatives also provided information that each year the certification unit conducts employee performance appraisals as a basis for promotion. Thus, it can be concluded that the company has implemented a policy of equal opportunity and treatment to obtain employment opportunities.

#### 6.1.2

The certification unit shows an employee list document that informs religion, ethnicity and gender for the period August 2022. From the document it is known that the employees in each unit come from different regions, for example: Lumajang, Medan, Ngawi, Samarinda, Bengkulu, Aceh, Bandung and Purbalingga. From the document, it is also known that the employees who work consist of Muslims and Christians as well as ethnic groups including Malay, Javanese, Batak, Sundanese, Nias and Bugis.

Based on interviews with plantations and mill workers, worker unions and gender committees revealed that the recruitment of workers is based on the needs of the unit of certification without distinction of ethnicity, religion and background. All prospective employees are entitled to the opportunity to work in accordance with their scientific background and company needs. During 2021 – 2022 there will be no discrimination problems against workers. In addition, based on interviews with local communities, it can be seen that so far there have been no acts of discrimination within the certification unit or its surroundings. The certification unit

always provides equal opportunities to the surrounding community to work in the certification unit in accordance with the stipulated provisions and needs.

In addition, there are no migrant workers. All recruitment is carried out in accordance with the SOP for the recruitment of employees of the certification unit. Based on the foregoing, it is known that there is no discrimination against religion, ethnicity and class in obtaining employment.

#### **6.1.3**

Employee promotions are given based on the results of employee performance appraisals. The unit of certification shows a sample employee promotion document for 2022 as follows:

- A job application letter for prospective employees with the initials HRM dated April 17, 2022. The documents to be attached to prospective employees include the latest education certificate, police records, ID cards, and family cards.
- PKWT work agreement letter with initials HRM dated May 27, 2022.
- Evaluation of the performance of the employee with the initials SPR for the 2021 period. The assessment is based on 3 criteria, namely: the ability to work, how to work, and self-management. Based on the results of the assessment, the certification unit provides recommendations for promotion to permanent employees.
- Appointment letter for PKWT workers to become permanent employees accompanied by a work agreement letter, for example an employee with the initials PNM dated May 31, 2022.

Based on interviews with plantation and mill employees, it was found that the certification unit had implemented labor procedures well without discriminating in the selection of new employees, performance appraisals and employee promotions.

Based on the foregoing, it is known that employment procedures have been carried out based on the skills, abilities, and quality of the employees.

#### **6.1.4**

The unit of certification does not perform a pregnancy test at the time of employee recruitment. Pregnancy checks are only carried out on spray and fertilizer workers every month to find out whether workers are pregnant or not. Pregnancy checks are only carried out for female workers who do not use contraception.

Based on interviews with representatives of the gender committee and female workers in the field, it is known that pregnant workers will be transferred to jobs that do not endanger the pregnancy, for example as caretakers at child care centers or manual upkeep workers.

#### **6.1.5**

The unit of certification has established a gender committee in each unit as an organization to manage complaints by women workers in the event of sexual harassment and violations of reproductive rights. The organizational structure of the gender committee consists of a general chairman, general secretary, general treasurer, and representatives in each unit. It was further explained that the gender committee provides support to female employees, including protection and maintenance of women's health, maintenance of family life and welfare, protection from sexual harassment and violence, providing continuing education that gender equality exists in the unit of certification. Based on document verification, it is known that there are 21 members of the Gender Committee for the 2021 Period spread across each management unit (Estate and Mill). The unit of certification shows the work program of the Gender Committee for 2022 such as:

- Sexual harassment and other crimes
- Women workers rights and opportunities
- Create a beautiful residential environment
- Checking on complaints about home facilities
- Religious routine

- Health service activities
- Direction of illness and disease
- Solidarity among members of the gender committee

The unit of certification shows the gender committee socialization document which was held on January 7, 2022 and took place in the office yard. The unit of certification can show documentation and an attendance list for the event. Based on field observation and interview with spraying worker, they aware about gender committee and know how to submit issue or report according gender issues.

Based on interviews with the Gender Committee, it is known that if there are reports of sexual harassment being reported, the gender committee will follow up with an internal resolution first, but if it cannot be resolved internally it will be brought to the appropriate authorities. In addition, the gender committee will also provide assistance to victims. However, based on the verification of the organizational structure of the gender committee, it was found that there is no representation of male workers and work programs that support the rights of male workers. Therefore, companies are encouraged to involve male workers in the organization of the gender committee and its programs. **OFI**

### 6.1.6

The Certification Unit does not discriminate against workers' rights, this is indicated by the payment of equal wages for workers in the same scope of work. The certification unit issued a decision on the payment of salaries for permanent employees and contract employees (PKWT) in 2022 based on South Kalimantan Governor Decree No. 188.44/0757/KUM/2021 concerning Determination of district/city minimum wages in 2022 in the province of South Kalimantan. The decree stipulates the district minimum wage (UMK) of Kotabaru is IDR 3,048,797. For example, employee ID: 15002 and 15109 has same payment of July 2022 is IDR 4,376,831.

The certification unit has also developed a salary structure and scale that applies to employees with more than 1 year of service. Based on the Inter-Office Mail document number 018/HRM-i5.1/XII/2021 regarding the structure and scale of wages for SKU workers in 2022 for PT Langgeng Muara Makmur, it is further explained that the structure and scale of wages are determined based on years of service and annual performance appraisal by each supervisor. This salary structure and scale is effective from January 1st, 2022 in the estate, mill and others department units at PT Langgeng Muara Makmur.

**Status: Comply**

### 6.2

**Pay and conditions for staff and workers and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages (DLW).**

#### 6.2.1 & 6.2.2

Unit Certification showed documentation of pay and working conditions in accordance with manpower regulations are regulated in several documents as follows:

- Decree of Governor of South Kalimantan Province No. 188.44/0757/KUM/2021 concerning district/city minimum wages in Kotabaru Distric dated November 31, 2021.
- Agreement with Labor Union Minamas Plantation (Colletive Labour Agreement) periode year 2022-2024.
- Specified and Unspecified time work agreement in mill and estates.

#### Contracs and Wage Documentation

The wage reference used by the certification unit is Decree of Governor of South Kalimantan No. 188.44/0757/KUM/2021 dated November 31, 2021 concerning District/City Minimum Wages in District. In accordance with the decree, it is known that Kotabaru Regency minimum wage is IDR 3,048,797. Furthermore, there is the determination of wages by the unit of certification in accordance with Inter-Office Mail from Head Human Resources Management No. 018/HRM-i5.1/XII/2021 dated December 20, 2021 concerning SKU Workers Wage Structure and Scale in PT Langgeng Muara Makmur year of 2022.

As the decision letter, employees are divided into class A - H with a range of grade 1 - 8. For example, class A grade 1 has a wage of IDR. 3,428,167 while class H has a wage of IDR. 3,048,797. The difference in wages is due to the implementation of the structure and scale of wages for each level of permanent employees. In addition, there is also a wage for contract workers, namely IDR 2,611,966. In addition, in 2022-2024 Collective Labour Agreement between Labor Union Minamas Plantation also regulates wages.

Contract workers and permanent employees are given full wages equal to UMK with social assistance benefits. Based on employee payroll, it is known that wage payments are equivalent for the same coverage of work. For example, it can be seen from the proof of payment of employee salaries for the period of July 2022 as follows:

- Contract worker:  
Employee ID: 151263  
Basic wage: IDR 3,048,797
- Permanent employee  
Employee ID: 15002  
Basic wage: IDR 3,075,367

Based a Specified work agreement verification in the estate, for example work agreement from Bebunga Estate No. 001/BBE-PKWT/VII/2022 behalf of (initial) SRP explained about basic wages, rights and obligations, working days and hours, rest days, and others. Details of day-to-day overtime calculation starting from the day and date when the worker performs overtime, the actual total overtime hours, total paid overtime hours, to the calculation of overtime rupiah per day and on a monthly total basis.

Based on the interviews with workers (harvesters, pesticide application workers, and mill operators) and labor union representatives, it concluded that workers have a sufficient understanding of their rights (wages, overtime, incentives, etc.) listed in the collective labor agreement and in accordance with routine socialization provided by the certification unit. Workers' wages in 2022 have been above the minimum wage set by the government. Wage based on years of service, ability, attendance and job performance (structure and scale wage) and there were no late payments every month.

Based on the explanation above, it can be concluded that workers have understood the work requirements that have been socialized by the certification unit in an understandable language (Indonesian/Bahasa).

### **6.2.3**

Collective Labour Agreement (CLA) for period of 2022-2024 dated July 16, 2022. The CLA has covers regulation reference, company policy, work relationship, leave and permission, salary payment, welfare and insurance, business trip allowance, disciplinary, mutation, work termination, grievance and complaint and others.

The company showed overtime payment in July 2022 that has been in accordance with applicable laws for workers on behalf HRM (initial) as engine room operator. In the pay slip document, it's known that the nominal of the worker's overtime wages has in accordance with the overtime calculation. A review of the payroll slip document for July 2022, proved that the wages received are above the minimum wage and in accordance with the wage scale structure determined by the certification unit for 2022.

The company has also shown paid leave letter which was shown below:

- Maternity leave was given 3 months of work leave (1.5 months before give birth and 1.5 months after). For example, work leave letter on behalf of D.N (initial) approved by the supervisor on May 7, 2022 who had given 3 months of paid leave.
- Menstrual leave was given 2 days of paid leave. For example, paid leave letter on behalf of NLW (initial) on 4 Juni 2022 and was approved by the supervisor on 4 Juni 2022
- Regular employee work leaves on behalf of RSN (initial) on April 27, 2022 for 1 day and was approved by the supervisor on April 27, 2022.

Unit of certification had shown their consistency in this assessment of work agreements that are owned by every worker so there

was no policy to accept family members who work without a valid work association. In addition, in the field observation activities during the audit, there were no family members of workers who helped work in the field without work ties.

### 6.2.4

Company has provided housing facilities on Bebunga Mill, Bebunga Estate, Bakau Estate and Sungai Cengal Estate. For example, list of facilities in 2022 including houses, mosque, church, workers hall, football field, volley ball field, badminton field and school bus. Based on field observation to housing complex of Mill and Estates. It was known that all housing on good condition and livable, there were domestic waste sanitation, and adequate clean water facilities and electricity. Therefore, based on interview with workers revealed that if any housing facilities were damaged, they had to report to the supervisor and the housing facilities provided were in decent condition, one house was occupied by 1 (one) of family.

### 6.2.5

Company has supported the existence of employee cooperative, that provides daily household need especially for food in decent, fairly and at affordable prices. In addition, at the time of wage payment there are temporary market comes from surrounding communities. Moreover, the traditional market are near from housing complex in several location such as Pasar Lintang Lima, Pasar Lintang Baru, Pasar Bakau and Pasar Rampa Cengal. In addition, traders who are allowed to sell in a residential area make it easier for workers to access food sources. This matter has been verified through consultation with Head of Employee Cooperative, Labor Union, as well as housing residents.

Based on interviews with estate and mill workers, labor unions and gender committees, it's known that workers have no difficulty in getting food sources because the workers can buy these needs to the markets around the company's area without any difficulties and the distances not too far about 15 minutes riding a motor cycle and the farthest is about 15 km.

### 6.2.6

The standard of wage eligibility referred to by the unit of certification is the Kotabaru Regency minimum wage. A detailed explanation of the district minimum wage is provided in indicator 6.2.2. The DLW Benchmark for Indonesia has not yet been determined, however, the company has simulated the Prevailing Wage calculation. The components included in the calculation of a living wage include the following:

- Kotabaru Regency minimum wage in 2022 : IDR 3,048,797
- Allowance
  - Rice : IDR 441,750
  - House : IDR 18,476
  - Electricity & Water : IDR 141,844
  - Education Transport : IDR 112,276
  - Health includes transport : IDR 85,196
  - Assurance : IDR 219,880

The calculation above is for per month so the total in-kind benefit for each worker per month is approximately Rp 4,068,219 and the calculation base on regular price in the area.

### 6.2.7

Based on list of workers document verification sighted that on July 2022, there are still non-permanent workers on the estate and mill. The non-permanent workers on estate are categorized as Field Workers with type of job description are upkeep activity in estates and mill and not at main activity. The number of non-permanent workers on each unit are Bebunga Estate 140 workers, Sungai Cenal Estate 80 workers, Bakau Estate 26 workers and Bebunga Mill 12 workers. All of non-permanent worker agreement been registered to the Transmigration and Manpower Agency of Kotabaru Regency. For example, agreement number 02/03/PKWT-BBF/03/2022 dated March 1, 2022 with initial SPJ for Compound Worker in Bebunga Mill.

**Status: Comply**



### 6.3

**The unit of certification respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.**

#### 6.3.1

The certification unit has a Social Policy which was passed in December, 2011 and there is a point in it that states that the company gives freedom to all workers to associate in accordance with the applicable laws and regulations.

The implementation of freedom of association contained in the company policy can be seen from the existence of unions in PT Langgeng, there are Labor union Minamas Plantation of Bebunga Estate, Sungai Cenal Estate, Bakau Estate and Bebunga Mill.

- Proof of union registration at Bebunga Estate with Registration Evidence Number 568/257/Disosnakertrans dated September 21, 2012.
- Proof of union registration at Bakau Estate with Registration Number 568/76/Disosnakertrans dated October 26, 2007.
- Proof of union registration at Sungai Cengal Estate with Registration Number 568/52/Disosnakertrans on March 13, 2012.
- Proof of union registration at Bebunga Mill with Registration Number 568/32/Disosnakertrans dated July 25, 2011.

#### 6.3.2

Unit of certification shows minutes of meeting with labor union, for example as follows:

- An internal labor union meeting on August 10, 2022 which was attended by 8 workers. The meeting discussed the finalization of the plan for the 77th anniversary of the Republic of Indonesia.
- Bipartite meeting on August 3, 2022 which was attended by 13 Bipartite members from both company representatives and workers representatives. The meeting discussed the coordination meeting for the preparation of the 77th Anniversary of the Republic of Indonesia.

#### 6.3.3

Based on a labor union structure review, as well as an interview with employees on the estate and mill, it was known that union organization is consist of Chairman, Deputy of Chairman, Secretary, Treasurer, etc. All labour union committee members were employee which is not involved in company structural organization (staff up). Based on interviews with worker union representatives revealed that the certification unit fully supports all organizational activities without any intervention.

**Status: Comply**

### 6.4

**Children are not employed or exploited.**

#### 6.4.1

The certification unit has a social policy that was approved by the Head Plantation Upstream Indonesia in December, 2011. The policy regulates the basic principles of human rights protection such as

- Every staff/employee must be treated fairly in matters relating to recruitment, promotion, limitations and working conditions without regard to personal issues such as race, level, ethnicity, gender, skin color, physique, organizational membership, political views, religion and age.
- Identify potential social benefits through good communication to enhance positive reciprocal relationships between the company and the local community.
- Ensure that all negotiations regarding compensation for loss of rights are carried out in a good and documented system to enable local communities and other interested parties to express their views through their representative institutions in accordance with applicable laws and customary rights.
- Develop and implement a policy to prevent sexual harassment and other forms of crime against women and protect the reproductive rights of women workers.

- Respect the rights of every employee to form and join trade unions of their choice and to bargain collectively.
- Indonesian upstream plantations are not allowed to use forced labor or underage labor (child labor).

This policy has been socialized to all employees in each estate, mill and local contractor. The certification unit can show documentation, attendance lists and socialization materials.

Based on field observations and interviews with estate and mill workers revealed that there were no child laborers on site, further explained that the certification unit is prohibited from employing children or helping their parents work on site.

### 6.4.2

The certification unit shows a list of employees accompanied by the date of entry and date of birth. In addition, an example of proof of recruitment is also shown in the form of a copy of the employee's ID card and family card. From these data, it is known that there are no employees under 18 (eighteen) years of age when accepted to work at the certification unit.

Based on field observations, document observation and interviews with an estate, mill, and contractor employees revealed that there were no employees under the age of 18 (eighteen) when they started working.

### 6.4.3

Based on document verification list of employee July 2022 in PT Langgeng Muara Makmur (estates and mill) then also field observations revealed that in the last 1 (one) year there were no apprentices in the certification unit's operational areas and there are no employees in the young worker category.

### 6.4.4

Based on interviews with the gender committee and workers in the field revealed that the workers had understood the rules regarding the prohibition of bringing children to work. The certification unit also showed the minutes of socialization on the prohibition of employing child labor, the prohibition of forced labor/slavery for employees and contractors on February 7, 2022 attended by 56 participants.

<b>Status: Comply</b>
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## 6.5

**There is no harassment or abuse in the workplace, and reproductive rights are protected.**

### 6.5.1 & 6.5.2

The certification unit has a social policy that was approved by the Head Plantation Upstream Indonesia in December, 2011. The policy regulates the basic principles of human rights protection such as

- Every staff/employee must be treated fairly in matters relating to recruitment, promotion, limitations and working conditions without regard to personal issues such as race, level, ethnicity, gender, skin color, physique, organizational membership, political views, religion and age.
- Identify potential social benefits through good communication to enhance positive reciprocal relationships between the company and the local community.
- Ensure that all negotiations regarding compensation for loss of rights are carried out in a good and documented system to enable local communities and other interested parties to express their views through their representative institutions in accordance with applicable laws and customary rights.
- Develop and implement a policy to prevent sexual harassment and other forms of crime against women and protect the reproductive rights of women workers.
- Respect the rights of every employee to form and join trade unions of their choice and to bargain collectively.
- Indonesian upstream plantations are not allowed to use forced labor or underage labor (child labor).

This policy has been socialized to all employees in each estate, mill and local contractor. The certification unit can show



documentation, attendance lists and socialization content information.

Based on field observation and interviews with women workers in estate and mill revealed that the certification unit had given women workers 2 (two) days of menstrual leave based on doctor permit letter and 3 (three) months of maternity leave. Further explained that so far there has never been a problem in applying for menstrual or maternity leave.

### 6.5.3

The certification unit shows the document for the list of new mothers in 2021-2022. From the list, it is known that from January 2021 to January 2022 there was 1 (one) employee who gave birth.

Furthermore, the certification unit showed the document Identification of the Needs of New Mothers in which the assessment was carried out on 1 (one) employee who were pregnant since 2021. From the results of the assessment, several things were known as follows:

- Committed to maintaining the cleanliness of the nursing mother's room in the Child Care Center so that it is safe and comfortable.
- Give permission to rest to breastfeed their children at 10.00 am or work up to 12.00 am.
- Shifting female workers (team spray/fertilizer) to non-chemical jobs for female workers who are pregnant or breastfeeding.
- Support the existence of a program from the gender committee in 2022 regarding education to young mothers about the importance of giving breast milk in the first 6 months until the age of 24 months, as well as providing education on the impact of domestic violence and children.

### 6.5.4

The complaint handling mechanism and the system is described in the SOP mechanism for handling complaints for all parties and the community No. 03/Masy-KSP/3/15 dated March 1, 2015. Complaints can be submitted through recording in the logbook that has been provided, directly to the foreman, through the suggestion box, through the gender committee, worker unions, hotlines and email provided by the certification unit and via the RSPO website.

Based on interviews with women workers in field observation and gender committees, it is known that they understand the related policies. it was further explained that so far there have been no problems or complaints related to reproduction in the workplace and they all know the mechanism to file a complaint.

<b>Status: Comply</b>
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## 6.6

### No forms of forced or trafficked labour are used.

#### 6.6.1

Based on interviews with operational staff revealed that all employees were those who passed the recruitment and selection process according to certification unit procedures and requirements. The certification unit post job vacancies then prospective workers come voluntarily to apply for jobs that are available for free and there is no holding of identity documents. Overtime is monitored by the certification unit and workers are given the freedom to choose overtime. The certification unit also does not force or make it difficult for employees to resign. There is no penalty for termination if they wish to terminate the contract early.

Based on verification document, field observation, and interviews with workers and stakeholders, auditors did not see any harvester accompanied by their wife or children and any indication of forced labor. There is no threat against family members. Based on document verifications and field observations in spraying and harvesting activities at Estate and Mill operations activities, there were no forms of forced or trafficked labor are used.

#### 6.6.2

There aren't had migrant workers who work in the certification unit's operational area. All workers come from within one country

(although from various regions). In addition, each worker has been provided with a clear work contract. The rights and obligations of workers are also clearly stated in certification unit regulations, collective labor agreements, and in work agreements. Based on the employee list, it is known that all employees are permanent and contract worker. There is daily worker.

**Status: Comply**

### 6.7

**The unit of certification ensures that the working environment under its control is safe and without undue risk to health.**

#### 6.7.1

The company shows the decision of the Manpower and Transmigration Office of South Kalimantan Province No 566/043/Was-NKT/2020 dated 25 May 2020 regarding the ratification of PT LMR's OHS committee changes, which are further being proposed for structural changes due to changes in PT LMR's internal organizational structure in May 2022. In the OHS committee management structure Those submitted included a chairman with the initials AR and a secretary with the initials AS. The application has submitted the composition of the OHS committee management to the Manpower and Transmigration Office of South Kalimantan Province on May 6, 2022.

The OHS committee secretary who is appointed in the management structure, has attended the General OHS Expert training for the Indonesian Ministry of Manpower Certification carried out by the OHS service company organizer. The company shows the Decree of the Minister of Manpower of the Republic of Indonesia No. 5/9567/AS.02.04/X/2020 concerning the Appointment of General OHS expert, dated October 19, 2020 which is valid for 3 years.

OHS committee meetings have been held regularly every month with discussions on OHS issues and their follow-up, for example the OHS committee meeting on 5 August 2022 with discussions including OHS points in harvesting activities, workshops, operators, PPE, first aid kits and a safe and healthy living culture from home.

#### 6.7.2.

The company have fire facilities and infrastructure which are shown in the documents for the prevention and control of land and estate fires, which among other things explain that the provision of Fire Infrastructure Facilities refers to the Regulation of the Minister of Agriculture No 5 of 2018. Based on this document, it is known that fire control facilities and infrastructure For example, the available Bebunga Estate are as follows:

- Personal or individual equipment such as 19 safety helmets and 29 headlights.
- Team equipment such as tents for 4 units.
- Hand tools, such as 6 axes and 3 sharp rakes.
- Water Pumps and accessories such as 2 units of pressure pumps and 4 units of portable pumps.
- Data processing and communication facilities, such as 4 GPS units.
- Transportation facilities (according to the work area) such as patrol facilities of 2 units.

However, based on the results of field visits, there are fire extinguishers with red pressure indicators in residential locations (Divisions 1&3) and in petrol storage areas.

The company also shows the first aid procedure for accidents and the first aid kit with the No P3K-01 which states in the section on the mechanism for checking the box and the contents of the first aid box, in point 1, the first aid check is carried out every month and a list of drugs/materials in the first aid box as many as 21 items for the office. and 12 items for field activities.

Based on the results of the field visit, several conditions were found, including the following:

- Bebunga Mill : there is a first aid kit in the process room and workshop, but hansaplast and triangular/mitella cloth are not yet available.
- Bakau Estate : there is a first aid kit in the chemical warehouse, but it was last monitored in 2021 and there is no aquades, povidone iodine and triangular/mitella cloth; The fertilizer foreman brought 2 first aid kits containing 11 items each, but there

has been no monitoring of the contents of the first aid kit and there have been betadine and rivanol which have expired since 2020.

- Sungai Cengal Estate : a first aid kit was found on all visits containing betadine which had expired in May 2022 and there was no first aid kit and aquades were not available for monitoring.

Based on this objective evidence, the Company has not been able to show sufficient evidence that its emergency response facilities and infrastructure, including first aid facilities, can be used immediately when needed. **Non-Conformity number 2022.02 with minor category**

### 6.7.3

The company has SOP No. Policy: 711/TQEMS-P2K3/07 concerning Occupational Health and Safety which was approved by the Manager on November 23, 2007. The SOP regulates administration and management; OHS committee; Hazard Identification Risk Assessment Control (HIRAC); accident reports, investigations and follow-up; communication and communication media; personal protective equipment; and safe working system.

The company also shows the Minamas Sustainability & Quality Management System (MSQMS) Chapter 25.B document regarding Block Spraying System (BSS), which explains, among others, the following:

- At point 5.20, after working, all employees of the BSS team must take a shower first at the BSS house which has been provided by the operational unit.
- All PPE and clothing for the BSS team were washed at the BSS house by officers and were not allowed to be brought home.

From the HIRAC Estate study for the 2022 period which identified the risks of spraying work, it is stated that point 7 instructs workers to return to the BSS and ensure that work equipment is properly arranged, there are no spills and the contents of the mixture & pump have been applied and the whole team is clean.

Based on field visits at BSS Sungai Cengal Estate, several things were found, including the following:

- There are 35 lockers for officers, but the lockers are empty/unused and some lockers are damaged.
- There is a bathroom tub and a washing tub, but the tub is not filled with water and there are cobwebs.

Based on interviews with spray workers at Sungai Cengal Estate and Bakau Estate, it was said that work clothes were brought personally from home and after work they would be washed at each worker's house.

Based on the above evidence, the Company has not been able to show sufficient evidence that workers have used the PPE provided in an orderly and consistent manner in accordance with the established procedures and risk analysis results and the Company has not been able to show sufficient evidence that the sanitation facilities for pesticide applicators have been used properly. **Non-Conformity Number 2022.03 with major category**

### 6.7.4

Based on document verification results, it was known that level workers been registered on Social Insurances (*BPJS Ketenagakerjaan & Kesehatan*). The auditor team has verified social insurance payments in each unit on July 2022. For example, company has shown proof of payment of Social Insurances totaling Bebunga Estate: 563 permanent and contract workers, Sungai Cenal Estate: 445 permanent and contract workers, Bakau Estate: 360 permanent and contract workers and Bebunga Mill: 126 permanent and contract workers that is last paid on July 07, 2022 (*BPJS Ketenagakerjaan*) and paid on July 06, 2022 (*BPJS Kesehatan*). The company also shows payments for work accident claims that occur within the company environment such as work accident claims on behalf of (initials) SPR who was declared dead on June 12, 2022 caused by a work accident on the same date. The company and the victim's family submitted a claim for compensation to BPJS on August 7, 2022, until the day of this audit the status of the claim was still in the process of being verified by the BPJS.

### 6.7.5

Work accidents are recorded using the Lost Time Accident (LTA) listed in the Lost Time Accident KSP document for January-July 2022, which among others explains the number of accident cases, the number of days lost, Frequency Rate (FR) and Servery Rate (SR), among others as follows: following:

UNIT	WORK HOUR	CASE	FR	SR
BBE	633,738	20 with lost working days 32	16	50
SCE	533,547	5 with lost working days 9	4	18
BKE	380,421	5 with lost working days 13	8	35
BBF	134,904	-	-	-

From the document above, it can be seen that Bebunga Estate has the highest loss of working days due to fatalities in the estate. Furthermore, the company has also carried out an investigation into work accidents that occurred as well as processing claims.

**6.7.2 Status: Non-Conformity Number 2022.02 with minor category**

**6.7.3 Status: Non-Conformity Number 2022.03 with Major category**

### PRINCIPLE #7 PROTECT, CONSERVE AND ENHANCE ECOSYSTEMS AND THE ENVIRONMENT

#### 7.1

**Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.**

##### 7.1.1

The company demonstrates the procedures related to the technical observation and control of pests as contained in the Agronomy Reference Manual No. 110/EST-ARM/13 dated September 1, 2013 which was legalized by the Head Plantation Upstream Indonesia, in section 15 which discusses about:

- Oryctes on immature
- Chemical control of common oil palm pests
- Caterpillar control
- Use of useful plants for natural leaf pest control
- Rat control in oil palm plantations
- Utilization of owls for rat pest control
- Ganoderma control

The company shows records of the implementation of pest monitoring and control, including:

- Based on the beneficial plant monitoring document, it is known that the company has utilized the beneficial plant as one of the implementations of integrated pest control including *Antigonon leptopus* and *Turnera subulata*. The results of field visits, for example in Field A010 Division I of the Mangrove Estate, have provided a beneficial plant of the *Antigonon leptopus* type which is planted on the side of the road and is in good condition.
- Based on the monitoring document for owl cages, for example in the Bebunga estate, it is known that the company has used *Tyto alba* as a biological pest control method with a total of 53 cages of gupons. The results of field visits, for example in Field B006 Division I Bebunga Estate, found that the owl cages were in good condition and active.
- Based on pest census records such as oryctes on December 6, 2021, it is known that there are pest attacks with high attack criteria, namely 5.38%. From these results, the company then sprays using the active ingredient cypermethrin and monitors the effectiveness of the control.

##### 7.1.2

Based on the results of a review of useful plant monitoring documents and interviews with company management, it is known that the company uses owls and *Cassio tora* plants as biological control agents. Based on the regulations in force in Indonesia, it is known that this species is not an invasive species.

Based on field visits to Bebunga Estate and Bakau Estate, several planting points such as cassio tora and turnera were found as host plants for natural predators and no invasive plants were found planted by the company.

### 7.1.3

The company demonstrates the procedures related to the technical observation and control of pests as contained in the Agronomy Reference Manual No. 110/EST-ARM/13 dated September 1, 2013 which was legalized by the Head Plantation Upstream Indonesia, section 15 explains the census mechanism, threshold values and methods. control of plant pests and diseases. From the control in question, no control was found using fire, but using an ecological, biological, physical and chemical approach.

Based on field visits and interviews with spray workers at Bakau Estate, it was conveyed that the company carried out biological and chemical pest control and had never used fire in carrying out pest control.

**Status: Comply**

## 7.2

**Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.**

### 7.2.1

The company demonstrates the procedures related to the technical observation and control of pests as contained in the Agronomy Reference Manual No. 110/EST-ARM/13 dated September 1, 2013 which was legalized by the Head Plantation Upstream Indonesia, in section 15 which discusses about:

- Oryctes on immature
- Chemical control of common oil palm pests
- Caterpillar control
- Use of useful plants for natural leaf pest control
- Rat control in oil palm plantations
- Utilization of owls for rat pest control
- Ganoderma control

Based on pest census records such as oryctes on December 6, 2021, it is known that there are pest attacks with high attack criteria, namely 5.38%. From these results, the company then sprays using the active ingredient cypermethrin and monitors the effectiveness of the control.

The company also shows a list of pesticides used, for example:

MERK	ACTIVE INGREDIENTS	NO. PERMISSION	VALIDITY PERIOD
Basta 150 SL	Ammonium glufosinate	RI.01030120175826	06 October 2022
Kencepat	Acephate	RI.01010120103756	10 December 2022
Marshal 5 GR	Carbosulfan	RI.01010119961279	06 October 2022
Prima Up 480 SL	Glyphosate	RI.01030120031779	06 October 2022
Metaprima 20 WG	Methyl Metsulfurone	RI.01030120031897	03 September 2023
Capture 50 EC	Cypermethrin	RI.01010120031874	30 August 2022
Centalon 480 EC	Triclopyr	RI.01030120103716	20 March 2024

Based on the review of the document, it is known that the company has used registered pesticides and has not used limited pesticides.

### 7.2.2

The pesticide application program is contained in the annual work plan which is then translated into monthly work plans and daily work plans. Documentation of the recording of pesticide use in monitoring the use and toxicity of pesticides for the period January-December 2021, such as:

**Sungai Cengal Estate**

Active Ingredients	Material Use (litre)	Application Area (Ha)	Total a.i/ Ha	Total a.i/ Ton FFB
Ammonium glufosinate	1,514	3,268	0,00000003	0,000000003
Glyphosate	11,461	3,268	0,00000001	0,000000001
Cypermethrin	1,458	3,268	0,00000112	0,000000095
Triclopyr	1,417	3,268	0,00000010	0,000000009

**Bebunga Estate**

Active Ingredients	Material Use (litre)	Application Area (Ha)	Total a.i/ Ha	Total a.i/ Ton FFB
Ammonium glufosinate	2,725	2,278	0,00000002	0,000000002
Glyphosate	13,114	2,278	0,00000002	0,000000002
Cypermethrin	3,529	2,278	0,00000006	0,000000006
Triclopyr	1,775	2,278	0,00000012	0,000000012

**7.2.3**

The company shows records of pesticide use for the 2020-2021 period, for example in Bebunga Estate and Sungai Cengal Estate, among others as follows:

ESTATE	PESTICIDE	UNIT	2020		2021	
			AREA OF APPLICATION (HA)	USE	AREA OF APPLICATION (HA)	USE
SCE	Ammonium glufosinate	L	3,751	1,484	3,268	1,514
	Acephate	Kg	3,751	53	3,268	845
	Carbosulfan	Kg	3,751	2,098	3,268	5,103
	Glyphosate	L	3,751	7,485	3,268	11,461
	Methyl Metsulfurone	Kg	3,751	329	3,268	365
	Cypermethrin	L	3,751	2,654	3,268	1,458
	Triclopyr	L	3,751	788	3,268	1,417
BBE	Ammonium glufosinate	L	2,411	1,487	2,278	2,725
	Acephate	Kg	2,411	790	2,278	1,828
	Carbosulfan	Kg	2,411	4,508	2,278	6,340
	Glyphosate	L	2,411	8,733	2,278	13,114
	Methyl Metsulfurone	Kg	2,411	319	2,278	708
	Cypermethrin	L	2,411	3,660	2,278	3,529
	Triclopyr	L	2,411	1,445	2,278	1,775

Based on the review of the pesticide use document, it was found that there was no reduction in pesticide use due to high levels of oryctes attack and maintenance in the nursery and immature areas.

Based on the results of document review and field visits, it is known that the company has utilized beneficial plants such as antigonon and natural enemies of rat pests such as owls.

**7.2.4**

Based on field observations and document verification, it can be show that the company does not use pesticides prophylactically to control plant pests and diseases.

**7.2.5**



The company shows the Policy for Reducing the Use of Class 1A and 1B Pesticides with No. 07/LMR-Pest/XII/2019 issued on December 1, 2019 which instructs the company not to use class 1A and 1B pesticides.

In this regard, the company also shows documents on the use of pesticides used by the company during 2020-2022. The document explains the name of the pesticide, active ingredient, LD50, WHO class, registration number, distribution permit date, and the amount of pesticide used. Based on the document, it is known that the company does not use pesticides with the active ingredient paraquat.

#### **7.2.6**

The company also shows the procedure for storing pesticide packaging waste No 01/KSP-Pestisida/10/2020 which explains as follows:

- In point 5.2, pesticides must be stored in a safe place (locked warehouse), separate from fertilizers, foodstuffs, and water sources.
- In point 5.3, each type of pesticide must be placed separately according to its respective group, namely herbicides, fungicides, rodenticides and insecticides.

The company also periodically conducts chemical application training to employees, as shown on July 20, 2022, which was attended by 9 participants at Bebunga Estate. Based on interviews with workers, it can be concluded that workers understand the technical application of chemicals as well as the hazards and risks associated with chemicals. In addition, the workers who were found had used the free PPE provided by the company in full, in accordance with identification and understanding of the mechanism for replacing PPE if there was damage.

#### **7.2.7**

The pesticide packaging storage procedure Number 01/KSP-Pesticide/10/2020 which explains as follows:

- In point 5.2, pesticides must be stored in a safe place (locked warehouse), separate from fertilizers, foodstuffs, and water sources.
- In point 5.3, each type of pesticide must be placed separately according to its respective group, namely herbicides, fungicides, rodenticides and insecticides.

Based on government regulations No. 74 of 2001 concerning the management of hazardous and toxic materials which states that:

- Article 14 states that every hazardous and toxic materials produced, transported, circulated and stored must be packaged according to its classification.
- In article 15 point 1, each hazardous and toxic materials packaging must be given a symbol and label and is equipped with a Material Safety Data Sheet.

Based on a field visit at the Sungai Cengal Estate BSS house, it was found that there was storage of pesticides such as metaprima, kenrane, prima up, acefat, and explore. Pesticides are placed on the floor and without material information, without the hazardous and toxic materials symbol and without pallets. The company has not been able to show that all pesticides have been stored according to the established procedures. **Non-Conformity Number.2022.04 with major category**

#### **7.2.8**

The company can show the SOP document for Storage of Pesticide Packaging Waste Number 01/KSP-Pestisida/10/2020 which was legalized on October 1, 2020. The SOP describes the pesticide storage mechanism that is carried out according to the recommendations provided in the MSDS, the placement of chemicals that have dissimilar characteristics must be separated according to MSDS recommendations, preparation and release of chemicals is carried out first in first out (FIFO), chemical containers must have labels, chemicals are only issued on request approved by the authorities and records of storage and release of agrochemicals (including pesticides) which is well documented. The company has also conducted socialization to employees regarding the prohibition on the use of hazardous waste packaging including used pesticide packaging on April 29, 2022.

Based on the verification of the document "Monitoring Pesticide Usage 2022" showing a large amount of pesticide use, field observations also show that the company is carrying out replanting activities that are evenly distributed throughout the Estate, thereby increasing the use of pesticides. However, the results of the verification of the source data for used chemical packaging waste in the Logbook only came from Bebunga Estate, while there were none for Bakau Estate and Sungai Cengal Estate.

Based on field observations at the agrochemical warehouse and hazardous waste storage area in Bebunga POM, it is known that the pesticide waste storage area is well managed, there are oil traps, adequate and isolated air ducts. Small used pesticide packages are not reused and stored in a well-monitored Hazardous Waste storage warehouse which is then handed over to licensed collectors. Based on interviews with pesticide application officers at Bebunga Estate and Bakau Estate, it was found that all containers used for pesticide packaging were returned and sent to the Hazardous Waste Warehouse and not used for any other purpose other than pesticide application activities. All used packaging containers, work tools and work clothes are stored in a special storage area, so that no contaminated items are taken home. However, the results of field observations in the Division 3 Warehouse area, Cengal Estate showed that many used chemical packaging were stored not where they should be. Based on this, there is an indication that not all used chemical packaging waste has been stored in a licensed temporary storage area for hazardous and toxic waste, this is a non-compliance with indicator 7.3.1.1.

### 7.2.9

The results of document review and interviews with management revealed that the company does not apply pesticides by air.

### 7.2.10

The company has a plan for regular health checks for all employees with types of examinations including spirometry, cholinesterase, audiometry and physical examination of occupational diseases. For the 2022 MCU, the company showed an agreement to conduct an MCU with the Simpang Clinic through letter No RTC-AWD/053/VII/2022 dated 25 July 2022. Based on interviews with employee representatives, the MCU was held in August 2022, which was attended by 1,155 people and waiting checkup result. The health examination for the 2021 period was carried out on March 10, 2021, and from the results of the examination there were no employees who had health problems.

Based on the explanation above, it is known that business actors conduct regular health checks for all workers and also evaluate the results of these examinations.

### 7.2.11

The company has a policy regarding the age requirements of workers, namely the Head Office-Jakarta Memorandum with No. POD-UM-052/III/2010, which states the statement Prohibition of using underage workers according to the Labor Law (UU) i.e. there are no workers who are in the workforce under the working age (18 years).

There is a mechanism for women workers who are breastfeeding or pregnant which was ratified on January 1, 2013, it is explained that women workers who are pregnant or breastfeeding submit a written report to the assistant which is then recommended by the assistant to be examined by the nurse, if it is proven that she is pregnant, she will be transferred to an unrelated section. with chemicals. This is explained in the BSS SOP & Use of BSS Station No. 018/LMR-BSS/C3 dated December 1, 2010.

Based on field observations of spraying activities at Bebunga Estate, Bakau Estate and Sungai Cengal Estate as well as interviews with management, it is known that the company does not employ employees who are not yet 18 years old and female workers who are pregnant or breastfeeding and employees with medical limitations will be transferred to manual upkeep.

7.2.7

Status: Non-Conformity Number.2022.04 with major category

### 7.3

**Waste is reduced, recycled, reused and disposed of in ways that are environmentally and socially responsible manner.**

**7.3.1**

The company has several procedures related to waste management and utilization which are listed in several documents, including:

- SOP for Handling and Management of Hazardous Waste Number 709/TQEM-ESH/10 Revised January 22, 2021
- SOP for Hazardous and Non-Hazardous Waste Management Number 11/SOP/2020 dated August 1, 2020
- SOP for Management of Used Fertilizer Sacks and Plastics Number P-KBP&PBP dated July 5, 2019
- SOP for Storage of Used Pesticide Packaging Waste Number 01/KSP-Pestsida/10/2020 dated October 1, 2020
- SOP for Hazardous and non-Hazardous Waste Management Number 040/LMR-PL3/C9 dated January 1, 2010 etc.

In the realization of waste management, it is divided into several types based on the characteristics of the waste it produces, including:

**Hazardous and Toxic Waste**

In the management of hazardous and toxic waste, the company does not re-use it, but only does temporary storage located in Bebunga POM. The company also has a hazardous waste storage area that has a Temporary Storage Permit for Hazardous and Toxic Waste in accordance with the Decree of the Head of the Investment Office, Kotabaru Regency One Stop Service Number 503/0272/PSLB3-P-DPMPTSP/2021 dated April 12, 2021 concerning Storage Permit. Meanwhile, Hazardous and Toxic Waste for PT Langgeng Muaramakmur. This permit is valid for a period of 5 years.

The waste stored in the temporary storage warehouse will then be transported by a licensed party every 6 months. The latest transportation is evidenced through the Electronic Manifest document and the minutes of transportation carried out on March 31, 2022 by PT Balikpapan Environmental Services which is a licensed party. The company can show a cooperation agreement with the carrier, which is based on the document of the Cooperation Agreement Number BES/209/MKT/III/2022 which was made on March 1, 2022 and is valid for 1 year. The company can also show the legality documents of the carrier, such as a valid transportation permit from the Ministry of Environment and Forestry, a valid permit for special goods transportation from the Ministry of Transportation, a valid Business Identification Number and a Cooperation Agreement between the carrier and the licensed processor and/or beneficiary.

**Non-hazardous and toxic waste**

Non-hazardous waste such as domestic waste and used fertilizer sacks as well as large used pesticide packages are managed in the form of reuse as described in indicator 7.2.8. In addition, waste that cannot be reused will be collected, if it still has economic value such as scrap metal and used tires, it will be sold to parties who cooperate with the company. Non-hazardous waste that cannot be reused will be disposed of in landfills. Transportation of non-hazardous waste from employee housing or emplacement areas is carried out once a week and immediately disposed of in a landfill, and when the landfill is full, it will be stockpiled and put-up signboards marking the opening and closing dates.

**Liquid, Solid and Air Waste**

Solid waste from the FFB processing process in the form of shells and fiber is reused by the company as a substitute for fossil fuel (diesel) for power generation in boilers, while for EFB, it is used to substitute fertilizer applied to plantation land. Some of the solid waste in the form of shells is also sent or sold, while the empty fruit bunches are used as fertilizer. Data on solid waste utilization is explained in more detail in indicator 7.9.1. In domestic waste management, the company has also taken care of a Domestic Wastewater Disposal Permit which is already in document verification and is targeted to be completed in July 2022.

The company utilizes POME by applying it to the Land Application and not dumping it into water bodies. The regulation and management of POME are explained in more detail in indicator 7.8.3. As for air waste, the company has not made a common use for air waste, namely the Biogas Plan, so far, the management related to air waste has only been limited to measuring air quality from waste-producing sources such as WWTP, Boilers and Gensets.

However, based on the results of document verification and field visits in several locations, the following information was obtained:

**Hazardous Waste Management**

- The results of observations at the Bebunga POM Hazardous Waste Temporary Storage Warehouse are seen in full condition, the Logbook for recording data in and out of waste contained in the warehouse was also last updated in 2019.
- The company can show Logbook documents for the January – August 2022 period in the form of digital recapitulation, as well as manual logbooks for the August 2022 period. However, in the document there is information that is out of sync, for example, for used oil waste in the digital logbook, the latest stock is written as much as 1,656 Kg, while for the manual Logbook written 4480.5 Kg. In addition, there is also no data on the entry and exit of medical waste.
- The results of verification of digital logbook data for used chemical packaging show that waste data enters only in January, March and August 2022. When referring to the date of the last transportation based on the Manifest document, it shows that the last transportation was carried out on March 31, 2022. Based on this, there are indication of storage of Hazardous waste that is not stored in a licensed warehouse, with a period of more than 90 days.
- Based on the verification of the document “Monitoring Pesticide Usage 2022” showing a large amount of pesticide use, field observations also show that the company is carrying out replanting activities that are evenly distributed throughout the Estate, thereby increasing the use of pesticides. However, the results of the verification of the source data for used chemical packaging waste in the Logbook only came from Bebunga Estate, while there were none for Bakau Estate and Sungai Cengal Estate. Related to this, the results of field observations in the Division 3 Warehouse area, Cengal Estate showed that many used chemical packaging were stored not where they should be. Based on this, there is an indication that not all chemical packaging waste has been stored in licensed Hazardous waste storage.
- It was found that Hazardous waste was reused, such as used oil stored in drinking water containers (without labels), as well as oil drums and pesticide jerry cans used for water storage.
- Based on the results of field observations in all sample locations, it was found that there were quite a number of former fertilizer sacks scattered in ditches and roads.

### Domestic Waste Management

- There is a lot of garbage/domestic waste in the housing area of employees and contractors (Sungai Cengal Estate), and from the sample locations it was also found that there were domestic waste burning activities.
- The results of interviews with management and field observations obtained information that the form of domestic waste management carried out by the company was open dumping or open dumping of waste (without holes), however, the company had not been able to explain the process of destroying the waste.

Related to the above, the company has made several direct improvements such as collecting Hazardous waste at Hazardous waste storage, equipping Hazardous waste storage with alarms, and so on. However, the company has not been able to pinpoint the root of the problem and corrective actions related to it. In addition, Hazardous waste management has also become a non-conformance in the ASA 1.2 assessment and has been declared Close in ASA 1.3. However, during the onsite audit of ASA 1.4 + RC, the same discrepancy was found.

Based on the information above, several evidences of non-compliance were obtained when referring to the applicable procedures and laws, including:

- SOP Number 01/KSP-Pestsida/10/2020 concerning Storage of Used Pesticide Packaging Waste
- SOP Number 040/LMR-PL3/C9 regarding Hazardous and non- Hazardous Waste Management
- Decree of the Head of Bapedal Number 3 of 1995 concerning Technical Requirements for Hazardous waste Management
- PP RI Number 101 of 2014 concerning Management of Hazardous and Toxic Waste
- PP RI Number 74 of 2001 concerning Management of Hazardous and Toxic Materials
- PP RI Number 81 of 2012 concerning Management of Household Waste and Similar Waste
- PermenLHK Number 12 of 2020 concerning Storage of Hazardous and Toxic Waste

Based on the evidence obtained, this is a discrepancy because the company has not been able to implement waste management as regulated in company procedures and applicable laws and regulations, as well as consistency in waste management. **Non-Conformity Number 2022.05**

### 7.3.2

Based on an interview with the Bebunga POM Hazardous Waste Warehouse Manager, it is known that they have understood the handling of waste disposal, especially hazardous waste and domestic waste as well as hazardous waste management in accordance with the procedures owned by the company. sent to a landfill which is then stockpiled (without burning). The results of interviews with workers living in the company's area also stated that the waste management carried out by the company was very good and regular. Garbage bins are provided properly, all waste disposal facilities have also been provided by the company such as organic and non-organic waste bins that will be replaced if damaged, hazardous waste warehouses and landfills. The resource persons also understand very well how to separate the types of waste they produce and what types of waste should not be reused. However, based on the results of field observations in the storage warehouse, it shows that the recording in the Logbook has not been implemented according to the applicable SOP and this has become a discrepancy in indicator 7.3.1.

### 7.3.3

The company does not carry out open burning to destroy waste, this can be proven from field observations in the residential area and Landfill Bebunga Estate and Bakau Estate not found any traces of burned waste. The results of interviews with employees also stated that they had never burned waste, because they were aware of the prohibition on burning activities and the sanctions they would receive if they burned them. Organic waste from housing and inorganic waste is disposed of in the bins that have been provided, then transported once a week and disposed of in landfills and then buried when it is full. The results of field observations in employee housing areas also show many warnings to prohibit waste burning activities as well as the dangers that can arise from burning activities. Interviews with management also explained that the regulations regarding the prohibition of burning have been understood by all workers and strict action would be taken if they violated them.

However, based on the results of field observations in the planting block area, there are still burnt marks of EFB waste in the planting block area in several estates. In relation to this, the company explained that the burning of empty coconut leaves was carried out with the aim of warming the body and repelling insects while workers were waiting at the location. Related to this, companies are encouraged to ensure that the burning activities carried out will not have an impact on the environment such as forest and land fires and a significant increase in greenhouse gas emissions. (OFI).

### 7.3.1

Status: Non-Conformity Number 2022.05

## 7.4

**Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.**

### 7.4.1

The company shows the procedures related to fertilization as contained in the Agronomy Reference Manual No. 110/EST-ARM/13 dated September 1, 2013 which was legalized by the Head Plantation Upstream Indonesia, in section 8 which discusses, among others, the following:

- Fertilizing immature plants
- Application of empty seeds on immature plants
- Fertilization of oil palm plantations produces
- EFB application on mature
- Palm Oil Mill Effluent (POME) Application
- Compost application
- Fertilizer sampling procedure for chemical analysis
- Placement of fertilizers

### 7.4.2

In the MRC SOP dated April 1, 2010 regarding the Requirements of Fertilizers Recommendation, it is stated that leaf sampling is carried out once a year, while for soil samples it is carried out once in 5 years.



There are records of leaf and soil sample analysis activities on a regular basis to monitor and manage changes in soil fertility and plant health, which are described as follows:

#### Soil Analysis Results

For example, Soil Analysis for Bakau Estate with No. 290-LHU/UN8.2.1/PL/2021 dated December 10, 2021, issued by the Center for Environmental Research for a total of 18 samples. The parameters analyzed include C, N, P2O5, Ph, Ca, Mg, Na, K, Al, CEC, Cu, Pb, Cd, Zn and Fatty Oils.

#### Leaf Analysis Results

Leaf analysis, for example, for Bebunga Estate with No. P103/2021 dated September 9, 2021, published by the Minamas Research Center for a total of 41 samples. The parameters analyzed include Ash, P, K, Mg, Ca, N and B.

#### 7.4.3

In the effort of the nutrient recycling strategy, the company utilizes the recycling of empty bunches which are used as organic fertilizers. The utilization data for July 2021 – June 2022 are as follows:

YEAR	MONTH	APPLICATION (MT)
2021	July	1,821.41
	August	1,818.96
	September	1,693.28
	October	1,687.02
	November	1,716.15
	December	1,912.53
2022	January	1,705.90
	February	1,518.71
	March	1,887.15
	April	2,416.74
	May	2,598.05
	June	2,486.16
<b>Total</b>		<b>23,262.05</b>

Based on the data shown, the company has been recycling nutrients as an effort to limit the use of non-organic fertilizers. Based on field visits, for example in the estate block B07 division 1 flower and land application block E27 it was found that EFB and POME had been applied in accordance with company regulations.

#### 7.4.4

The company shows a report on recommendations and realization of fertilization for the period of 2021, for example in Bebunga Estate and Bakau Estate, among others as follows:

ESTATE	FERTILIZER TYPE	RECOMMENDATION		REALIZATION	
		Kg	Area	Kg	Area
BBE	NPK	1,024,138	2,340.33	1,036,392	2,340.33
	MOP	352,467	2,340.33	351,385	2,340.33
	AC	190,718	2,340.33	182,400	2,340.33
	Kieserite	281,067	2,340.33	210,382	2,340.33



	RP	509,842	2,340.33	509,843	2,340.33
	RP	525,949	2,687.34	525,950	2,687.34
	MOP	334,464	2,687.34	333,182	2,687.34
BKE	NPK	1,161,318	2,687.34	1,161,340	2,687.34
	HGFB	37,549	2,687.34	32,483	2,687.34
	Kieserite	298,442	2,687.34	276,844	2,687.34

Based on the study of the fertilization realization data, it is known that there are several fertilizers that have not been realized in 2021 due to high rainfall so that it will be continued in 2022. In addition, for Bebunga Estate there is a realization of NPK fertilizer that exceeds the recommendation, due to continued application NPK fertilizer in 2020 that has not been applied.

**Status: Comply**

### 7.5

**Practices minimise and control erosion and degradation of soils.**

#### 7.5.1 - 7.5.2

Based on a semi-detailed soil survey and land suitability study of PT Langgeng Muara Makmur for the period 2016-2021, it was informed that the company's soil classifications include alfisols, entisols, inceptisols and ultisols so that no peat soil classification was found.

The topographic conditions at PT Langgeng Muara Makmur include the following:

SLOPE CLASS		DESCRIPTION	AREA (Ha)				
(%)	(°)		BBE	SCE	LNE	BKE	TOTAL
0-4	0-2	Flat	118.19	2,078.59	564.62	30.20	2,791.60
4-12	2-6	Undulating	206.30	531.39	1,596.44	247.62	2,581.75
12-24	6-12	Rolling	1,016.43	418.59	-	2,962.84	4,397.86
24-38	12-20	Hilly	1,467.10	1,174.43	682.32	57.71	3,381.56

Based on field observations, it is known that in the operational area the company applies soil and water conservation such as construction of felt and construction of drainage ditches, especially for hilly topography.

#### 7.5.3

Based on document review and interviews with management representatives, it is known that the company's area has been managed according to its function so that the company has no plans for new palm oil planting.

**Status: Comply**

### 7.6

**Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.**

#### 7.6.1 – 7.6.3

Based on a semi-detailed soil survey and land suitability study of PT Langgeng Muara Makmur for the period 2016-2021, it was informed that the company's soil classifications include alfisols, entisols, inceptisols and ultisols so that no peat soil classification was found.

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12-24	6-12	Rolling	1,016.43	418.59	-	2,962.84	4,397.86
24-38	12-20	Hilly	1,467.10	1,174.43	682.32	57.71	3,381.56

Based on interviews with management representatives, it was stated that the company does not yet have plans for the development of new plantations.

**Status: Comply**

### 7.7

**No new planting on peat, regardless of depth after November 15<sup>th</sup>, 2018 and all peatlands are managed responsibly.**

#### 7.7.1 – 7.7.7

Based on a semi-detailed soil survey and land suitability study of PT Langgeng Muara Makmur for the period 2016-2021, it was informed that the company's soil classifications include alfisol, entisol, inceptisol and ultisol so that no peat soil classification was found.

Based on the description above, it can be concluded that the company does not own land with peat soil type so that this indicator is not applicable.

**Status: Comply**

### 7.8

**Practices maintain the quality and availability of surface and ground water**

#### 7.8.1

Based on the 1995 AMDAL Addendum, DPLH 2011, the results of the 2010 HCV identification, as well as river flow maps and water sources, it can be seen that there are several water sources in the company's operational areas. Based on the document, it is known that the water source management plan is to test the quality of surface water at the upstream and downstream of the river every 6 months and drill wells every 1 year. All tests were carried out by a KAN accredited laboratory (LP-524-IDN). Related to this, the company shows the results of testing the quality of surface water for the period of semester 2 of 2021 carried out on December 7, 2021. The company carried out surface water testing with 36 indicators carried out at 6 sample points for all PT LMR namely Upstream and Downstream Sungai Bebunga, Sungai Tamiang, and Sungai Lintang which are all included in the scope of certification.

Based on the test results data for the period of Semester 2 of 2021, there are no parameters that are not in accordance with the quality standards. The results of the analysis of test data during 2021 also show that several parameters have fluctuated but are still in accordance with the quality standards used, namely PPRI Number 22 of 2021 Class 2/3 concerning surface water quality standards. Based on this, there is no indication of water pollution from the company's operational activities. Class 3 is used as a reference because the company's area is located in the seaside estuary area as well as river water sources that are no longer used for consumption and cultivation by the community.

The results of interviews with workers stated that there were never any complaints related to river water, they used the water only for transportation (Bebunga River) and not for consumption or daily needs, while for other rivers it was not used specifically. The results of interviews with the community around the company and related agencies also did not reveal any negative issues related to the condition of the river water. In addition, the company has also made efforts to control potential pollution through protection of the entire water border by designating it as an HCV area and prohibiting the application of chemicals in all water border areas.

The unit of certification also does not limit access to clean water, and all workers also have access to adequate clean water. Based on the results of field observations in the residential areas of Bebunga Estate, Bakau Estate and Sungai Cengal Estate as well as interviews with fertilizer workers, spraying workers, and harvest workers, information was obtained that clean water facilities for housing were obtained from artificial reservoirs. Clean water testing is also carried out by the company to see the quality of clean water taken from reservoirs carried out by a KAN accredited laboratory (LP-524-IDN) on December 7, 2021. The

results of testing the quality of clean water also show that all parameters of the test results are still in accordance with the quality standards. The applicable regulation is the Regulation of the Minister of Health Number 32 of 2017.

The company also has a riverbank management plan which is described in the SOP for River/Waduk Management (DAS) and Conservation Area Management SOPs which were approved on June 1, 2019. Based on the results of document verification and field observations to several sampling locations, it shows that the company has carried out activities in an effort to improve water quality, including:

- Conduct socialization to all employees and the surrounding community to maintain water quality.
- Maintain the cleanliness of the environment around water sources so that sources of pollution can be minimized.
- Create a program to improve water quality gradually with the provisions of the applicable laws and regulations.
- Report the results of the examination in accordance with the provisions of the applicable laws and regulations.
- Testing the quality of river water and boreholes listed in the RKL/RPL report
- Management of erosion and surface water runoff, management of water in the lowlands and monitoring of surface water quality as stated in the implementation of RKL-RPL every semester.
- Waste water management using WWTP and Land Application.
- Monitoring the use of water for oil palm processing and evaluating its use.

The results of field observations in several locations of the Bebunga Estate and Bakau Estate River borders indicate that the company has a commitment to river border protection as evidenced by leaving the border area with a width of 50-100 meters to be left as forest and no replanting activities are carried out in areas that are not protected. have continued to plant oil palm.

#### **7.8.2**

The company has procedures related to identification, management and maintenance of water sources and quality which are listed in the SOP for Water Resources Management and Monitoring number SOP/SMART//BCOS-EHSD/SADV//004. The SOP explains several things related to the management of river borders and other water sources, such as for example in order to protect water resources, determining the width of river borders following Presidential Decree no. 32 of 1990, carried out border protection, carried out socialization to all parties involved in plantation operational activities to participate in carrying out water protection activities, making boundary markings, and monitoring water resources.

The company also has topographical data in the form of maps with a scale of 1:50,000 covering the scope of certification sourced from the Data Area Statement as of May 2014. Sources are based on the Spot 5 Image of Kotabaru Regency and Surrounding Areas dated April 30, 2010, Landsat 7 ETM 543 Image of the Region Kotabaru Regency and its surroundings, as well as the PNMP Division Field Survey 1-13 November 2011. Based on the map, it shows that there are flowing rivers, lakes/dams and springs within the company area. The results of document review and interviews as well as verification of the company's area through satellite imagery also show that there is a water source within the company's area. In addition, the company shows a semi-detailed area survey of PT LMR's Land Map with a scale of 1:50,000. Based on the map, the slopes in Bebunga Estate, Bakau Estate and Sungai Cengal Estate are dominated by 0° - 5°.

The company also makes efforts to manage water sources such as periodically monitoring river conditions from potential pollution and fires every month, testing surface water quality standards to ensure water quality is still within normal limits every semester, and marking chemical application area boundaries in red and white. chemical application boundary markers. In addition, the company also conducts socialization to employees and the surrounding community in conservation efforts which can be proven based on the minutes of socialization to workers on February 25, 2022 and to the community on October 23, 2021, while for the 2022 period it will be held in October 2022 based on HCV 2022 Management Plan document. Interviews with spraying and fertilizing workers also stated that they were aware of the rules regarding chemical application limits, prohibition of washing chemically contaminated goods in water bodies and other activities that have a negative impact on water sources.

#### **7.8.3**

The unit of certification has facilities for the management of POME produced from palm oil processing with a capacity of 60-ton FFB/hour using WWTP. POME which has been managed at WWTP is then used as a fertilizer substitution in Land Application. Before being distributed to the land, all POME is put into the WWTP which consists of 11 ponds with the size of each pond with a length of 60m x 30m and a volume of 7,200 m<sup>3</sup>. Liquid waste management is carried out with a single-feeding system where waste is channeled directly to all anaerobic ponds simultaneously with a liquid waste circulation installation that is interconnected between ponds. After that, the waste from each pond is flowed into the sedimentation pond and then flowed to the Land Application by pumping. Before being used, the waste is processed to reach the quality standard for the utilization of wastewater in oil palm plantations, namely pH 5-9 and a maximum BOD of 5000 mg/l. The fulfillment of these quality standards is obtained from taking test samples in a mixing pond located at the pump house.

The company also has a Liquid Waste Utilization Permit for Land Application based on the Technical Approval document (PERTEK) from the Kotabaru Regency Environmental Service Number 660.3.4/316/DLH-PPKL.PLA/IV/2022 dated 18 April 2022 concerning Technical Approval for Fulfillment of Quality Standards Utilization of Wastewater to Soil for PT Langgeng Muaramakmur in Area of 571.9 Ha. The permit remains in effect as long as there is no change.

The company can show evidence regarding the results of POME quality measurements in the form of test results documents carried out by a laboratory accredited by KAN (LP-1342-IDN) with reference to the Ministry of Environment Regulation Number 28 of 2003. Based on the results of the analysis of test results documents for the period January – June 2022, that all parameters are in accordance with the applicable quality standards. This shows that POME produced from FFB management activities is feasible to be applied to land.

In addition, the company also has procedures related to liquid waste management based on the SOP for waste pool management number 351/LMR-KPS-02/11 which explains the management of liquid waste generated by the CP production process). The company has also reported the results of liquid waste management as evidenced by the Land Application Implementation Report for Quarter 2, 2022, which was reported to the Environment Agency, Kotabaru Regency and South Kalimantan Province on July 1, 2022.

#### **7.8.4**

The company can show water usage documents for palm oil processing units along with supporting documents in the form of Surface Water Use Permit Documents, recapitulation of water use, as well as proof of payment of retribution for surface water use. The water use/utilization permit owned by the company is based on the DPMPTSP Decree Number 503/16/SIPA/DS-DPMPTSP/X/2019 dated 14 October 2019 concerning the Granting of a Water Resources Concession Permit to PT LMR which is valid until 15 November 2022.

The company can also show the results of the recapitulation of water use for FFB processing and other uses. Based on the results of the study of the Water Usage document in July 2021 – June 2022, the company has set a water usage budget of 1.04 m<sup>3</sup>/ton FFB. Water usage data is 77,539.75 m<sup>3</sup> for FFB processing of 110,771.64 tons of FFB or equivalent to 0.70 m<sup>3</sup>/ton of FFB or 6,462 m<sup>3</sup>/month. Meanwhile, the total water use is 379,767.98 m<sup>3</sup> or equivalent to 31,647 m<sup>3</sup>/month. Total water use is the result of the combined use of water for FFB processing, as well as other needs such as laboratories, offices, housing and others. Based on this, the company has documented detailed water usage data, and used water in accordance with the predetermined budget.

The company can also show proof of payment of the water levy to the Regional Revenue Agency for the Regional Revenue of the Kotabaru Region for the period of water use from January to June 2022 with payments made monthly. An example of proof of payment of the latest water levy is based on the document of the Regional Water Tax Provisioning Tax for the month of June 2022 which was paid on July 24, 2022. Also attached to the document is proof of transfer, wet stamp from UPT PPD Kotabaru Region along with signature and name receiver.

The results of field observations in the Water Treatment Plan (WTP) and Water Intake areas also show that the flowmeter used is still functioning well. The results of interviews with the officers responsible for WTP also show that the operators are very familiar with how WTP works and recording flowmeter data. Officers can also show data in and out of water which is recorded every day.

**Status: Comply**

### 7.9

**Efficiency of fossil fuel use and the use of renewable energy is optimized.**

#### 7.9.1

The Certification Unit has made efforts to improve the efficiency of the use of fossil fuels and optimize renewable energy, these efforts are also monitored and documented in the form of a document Conversion of Biofuel to Solar in Bebunga POM for the period 2021 - 2022. The biofuel in question is solid waste in the form of shells and fibers that used for substitution of fossil fuels (diesel) as a producer of electrical energy using a boiler. The recapitulation of solid waste utilization for the period July 2021 – June 2022 shows that from 110,772 Tons of FFB processed, 6,090 Tons of biofuel can be produced in the form of shells and 12,980 Tons of fiber, all of which are used for the combustion process in boilers or equivalent to 17.25% of the total Processed FFB.

Based on the data analysis of the use of diesel fuel for FFB processing, information on the estimation of diesel fuel needed to generate electricity in the factory area is 335,013 liters/year or 3.2 liters/ton of FFB. However, due to the efficient use of diesel fuel which is substituted with biofuel, it can reduce the use of diesel to only 71,415 liters/year or equivalent to 0.64 liters/ton of FFB. This shows that the use of biofuels can reduce the use of diesel by 79%.

The results of interviews with the company stated that this efficiency is very beneficial because it can reduce diesel consumption. Currently it is needed only to turn on the generator as the initial power plant. Energy efficiency is also applied to all operational activities of the company by minimizing the use of fuel by contract workers, including all machinery and transportation operations. The total utilization of diesel for 2021 is 554,123 liters where there is an increase in the use of diesel from 2020 of 256,315 liters, this is due to an increase in the use of diesel generators due to the reduced number of processed FFB and replanting activities. Currently, the company has not utilized methane gas to produce electricity.

**Status: Comply**

### 7.10

**Plans to reduce pollution and emissions, including greenhouse gases (GHG), are developed, implemented and monitored and new developments are designed to minimize GHG emissions.**

#### 7.10.1

The Certification Unit has carried out a GHG inventory contained in the Greenhouse Gas Emissions Mitigation Program document for the period 2021, based on document analysis it can be concluded that the company has identified the source of GHG produced by the POM Interest Unit and its suppliers. Identification of significant sources of GHG emissions are identified and mitigation plans have been developed by the company covering mills and plantations. Significant GHG emissions include land use change, POME processing, use of fertilizers and pesticides, use of fossil fuels for operations and transportation. The mitigation plans include, among other things, the correct dosage and application of fertilizers as recommended, reducing reuse and recycling, limiting the use of electricity, transportation and machine maintenance, as well as periodic air quality tests. The company has also reported the results of the GHG calculation to the public which was submitted to the RSPO GHG website.

Reduction of fossil fuels in Bebunga POM has been carried out by using fiber and shells for fuel substitution. The company also uses POME to be applied to land with test results from the monitoring period January – December 2021 which show that all wastewater testing parameters have met the applicable quality standards. Based on the review of documents for example: monitoring of pesticide use, monitoring of diesel fuel, identification of HCVs and others it is found that accurate data has been entered into the RSPO GHG Calculator version 4.0. The summary of GHG emissions for the period January – December 2021 is as follows:

**General Information**

Association	No. of Estates/Plantations	FFB Processed (t)	Planted Area (ha)
Own Plantation	3	109,525.11	10,503.18
Group Plantation	3	3,450.89	0.00
3rd Party	0	0.00	0.00
<b>Total</b>	<b>6</b>	<b>112,976.00</b>	<b>10,503.18</b>

**Summary Emissions**

Description	Value	Unit	Description	Value	Unit
CPO	0.88	tCO <sub>2</sub> e/tProduct	Oil palm planted on mineral soil	10,503.18	Ha
PK	0.88	tCO <sub>2</sub> e/tProduct	Oil palm planted area on peat	0.00	Ha
PKO	0	tCO <sub>2</sub> e/tProduct	Total oil palm planted area	10,503.18	Ha
PKE	0	tCO <sub>2</sub> e/tProduct	Conservation area (Forested)	1,113.82	Ha
OER	20.15	%	Conservation area (non-Forested)	0	Ha
KER	4.24	%	FFB Production per hectare	10.76	t/ha

**Mill Emissions and Credits & Emissions from Palm Kernel Crusher**

Mill Emissions and Credits			Emissions from Palm Kernel Crusher	
Emission Source and Credits	tCO <sub>2</sub> e	tCO <sub>2</sub> e/t FFB	Emission Source	tCO <sub>2</sub> e
POME	580.25	0.01	PK from own mill	0.00
Fuel Consumption	447.01	0.00	PK from other sources	0.00
Grid Electricity Utilization	0.00	0.00	Fuel Consumption	0.00
Export of Excess Electricity to Housing & Grid	0.00	0.00	Total Crusher Emissions	0.00
Sale of PKS	0.00	0.00		
Sale of EFB	0.00	0.00		
<b>Total</b>	<b>1,027.26</b>	<b>0.01</b>		

**Estate / Plantation Field Emissions and Sinks**

Estate / Plantation Field Emissions and Sinks				
Description	Emission (tCO2e)			TOTAL
	Own	Group	3rd Party	
Emission Source				
Land Conversion	105,941.53	0.00	0.00	105,941.53
CO2 Emissions from Fertilizer	3,046.31	0.00	0.00	3,046.31
N2O Emissions from Peat	0.00	0.00	0.00	0.00
N2O Emissions from Fertilizer	1,954.39	0.00	0.00	1,954.39
Fuel Consumption	1,261.82	0.00	0.00	1,261.82
Peat Oxidation	0.00	0.00	0.00	0.00
Sinks				
Crop Sequestration	-52,758.89	0.00	0.00	-81,337.99
Sequestration in Conservation Area	-1,050.15	0.00	0.00	-8,153.32
Total	19,324.56	421.01	0.00	23,133.75

**FFB Supplier**

Supplier Name	FFB Production by Estate/Plantation (t)	FFB Supplied by Estate/Plantation (t)	Percentage of FFB supplied by Estate/Plantation (%)
Bakau estate	34,247.23	34,247.23	100.00
Bebunga estate	36,722.89	36,722.89	100.00



Sungai Cengal Estate	38,554.99	38,554.99	100.00
Betung Estate	289.93	289.93	100.00
Sekayu Estate	290.70	290.70	100.00
KKPA Sungai Cengal	2,870.26	2,870.26	100.00

### Palm Oli Mill Effluent Treatment

Description	Unit	Value
POME Produced	t/yr	14,651
Diverted to Compost	%	0
Diverted to anaerobic digestion	%	100
POME to anaerobic pond	%	100
POME to methane capture (flaring)	%	0
POME to methane capture (electricity generation)	%	0
COD value before anaerobic digestion	mg/l	5,642
COD value after anaerobic digestion	mg/l	534
COD removed during digestion	tCOD/tPOME	0.01
POME Produce	t/yr	14,651
CH <sub>4</sub> (Total)	t/yr	26.08
Applied N in POME	t/yr	6.59
Total N <sub>2</sub> O emission from POME	tCO <sub>2</sub> e/yr	0.04

*\*POME is only processed in WWTP*

Based on the results of the above data analysis, it can be seen that the emission value from the production of CPO and PK is quite low at 0.88 tCO<sub>2</sub>e/tProduct. Likewise, when compared with the emission values of the previous period, there was an increase in CPO and PK emissions from 0.79 tCO<sub>2</sub>e/tProduct to 0.88 tCO<sub>2</sub>e/tProduct. The results of interviews with management stated that the increase in emissions was due to an error in inputting the planted area data in the previous year. The low emission value is also caused by the presence of a fairly large HCV area and low FFB processing activities because most of the company's area is in the replanting period.

However, the accuracy of the data on the HCV area in the RSPO GHG calculator is still uncertain, because the condition of the area has changed a lot when referring to actual conditions. This has become a non-conformance to indicator 7.12.4.

### 7.10.2

The Certification Unit did not carry out new developments after 2014, but the company continues to manage GHG by conducting an inventory of emission sources. They can show identification documents of activities that generate emissions for the period 2021 for Mills and Plantations. This is done to estimate the carbon stock in the management area along with potential sources of emission that can occur directly as a result of the management, and a plan to minimize these emissions is drawn up and implemented.

The GHG emission reduction mitigation plan developed by the company is the use of renewable fuels in the form of shells and fiber as a substitute for diesel, performing maintenance on operational equipment on a regular basis, and utilizing POME in Land Applications. Companies can show records of GHG mitigation for Estate and Mill units, for example the use of fertilizers according to the dose, routine maintenance of operational vehicles, socialization of the prohibition of burning waste, implementation of efficient use of electricity and integrated pest control to minimize the use of pesticides.

### 7.10.3

The unit of certification has identified the source of pollution and the mitigation plan. The company has also carried out management and monitoring related to the results of the identification and mitigation plans as evidenced through the PT Langgeng

Muaramakmur RKL-RPL Report document and the Monitoring Report of Fixed Emission Sources Semester 2, 2021 which was reported to the Environmental Service of Kotabaru Regency and South Kalimantan Province on January 9, 2022.

Based on the verification of the document, it shows that in the management of air pollution, the certification unit has tested air emissions on boilers and generators as well as ambient air. The test was carried out by a KAN accredited laboratory (LP-1342-IDN) on June 14 – 27, 2022. Based on the analysis of the value of the test results, it can be concluded that there is no value that is above the applicable quality standard, namely PermenLH Number 07 of 2007 for Boilers, PermenLH Number 13 of 2009 for Gensets and PPRI Number 22 of 2021 for ambient air.

In addition, the company has also carried out management for interference from immovable sources. The tests were carried out by a KAN accredited laboratory (LP-1342-IDN) on 14 – 27 June 2022. The tests carried out by the company included testing for odor, vibration, and noise in the work area and housing. Based on the results of document verification, it shows that all test results are in accordance with the quality standards set for each applicable statutory regulation, namely KepmenLH Number 48 of 1996 for noise, KepmenLH number 49 of 1996 for vibration, and KepmenLH Number 50 of 1996 for odors.

However, for the results of noise measurements, based on Permenakertrans Number 5 of 2018 for several FFB processing areas in the Mill and generator room area, it shows that they are above the required quality standard values. Under these conditions, to reduce the potential for harm to hearing, the company has prepared several control actions plans to reduce the impact on the health factors of operators working in the workplace. Efforts that have been made by the company include:

- Regular maintenance program for tools/machines to keep them awake.
- Arrangement of working time by means of job rotation so that the amount of noise exposure to workers can be controlled (should not be >8 hours/day for a noise level of 85 dBA).
- Preparation of HIRAC (Hazard Identification Risk Assessment and Control) documents for all activities in the Factory and socializing it to all related employees
- Conduct periodic socialization and training of SOPs to related operators.
- Installation of "Noise Zone" warning boards and mandatory use of PPE.
- Inspection and evaluation of the health of the workforce and the routine work environment at stations with a potential level of noise hazard.
- Examination of the use of PPE by safety officers related to the discipline of using PPE.
- Provide PPE in the form of earplugs and earmuffs and conduct audiometric health checks for factory employees.

The results of interviews with boiler and generator officers stated that there was never any hearing loss experienced by the resource persons or other factory workers, the company has also carried out routine health checks. The informant also explained that the obligation to use PPE in the form of earplugs and earmuffs in the work area is an obligation that must not be violated, warnings about the use of PPE and checking the completeness of PPE are also applied in the company.

**Status: Comply**

### 7.11

**Fire is not used for preparing land and is prevented in the managed area.**

#### 7.11.1

The Bebunga POM certification unit received the Zero Burning Policy as outlined in the Decree of the Head of Plantation Operations Number POD-UM-044/III/2010 dated March 9, 2010 regarding the 2010-2030 replanting program based on new blocks. The policy explains that land clearing is done by not burning but doing it mechanically.

The company also has an SOP on Fire Prevention and Handling Number 7302/PSQM-ESH/14 dated 7 August 2014. This procedure explains the Guidelines for Fire Prevention and Management, such as fire prevention measures (formation of a fire team, increasing team readiness and readiness by conducting firefighting training). fires with related agencies, checking equipment every month, identification, inventory of fire-prone locations, counseling to land clearing by implementing Zero

Burning.), fire prevention, post-fire handling, reporting to agencies and internally, and determining the level of fire.

Based on the results of field observations in the replanting area of Field A36, Block F38, Division 3 Bakau Estate which is still in the land clearing stage, it shows that all land clearing activities are carried out by mechanical means and there are no indications of burn marks. Based on interviews with management, it was stated that all land clearing activities were mechanical. Based on an interview with the Environment Agency, it was also stated that the company has shown a commitment not to burn and regularly conducts fire simulations involving various stakeholders and outreach to the community as evidenced by the minutes of socialization activities carried out on May 20, 2022.

#### **7.11.2**

The company already has procedures related to fire prevention and control. Based on the review of the document, it is known that the fire control techniques owned by the company have referred to the prevailing laws and regulations in Indonesia, including Law Number 18 of 2004, Law Number 32 of 2009, Minister of Environment and Forestry Regulation Number 32 of 2016 and Minister of Agriculture Number 5 of 2018. The fire control and prevention program has been included in the Fire Fighting Facilities and Infrastructure Monitoring program for the first semester of 2022, for example, monitoring APAR, monitoring firefighting equipment and fire simulations. The company has also managed, monitored, prevented and controlled land and forest fires, including the following:

- Establishment of a firefighting team equipped with the necessary equipment.
- Conducting firefighting drills and increasing the frequency of fire patrols by involving the local community.
- Training on Land Fire Fighting Simulation and APAR Simulation for the TPKD team and employees of Bebunga POM, Bebunga Estate, Bakau Estate and Sungai Cengal Estate.
- Socialization of land fires, for example in nearby villages on 20 May 2022.
- Provide firefighting equipment that refers to the Regulation of the Minister of Agriculture Number 05 of 2018.
- Routinely check firefighting equipment.
- Monthly monitoring of fire extinguishers with the results of inspections at the location of fire extinguisher installation with powder, foam and CO2 types in plantations and factories in ready-to-use condition.

The company can also show a list of facilities and infrastructure owned by referring to the standardization of equipment in Ministry of Agriculture 05 of 2018. The results of field observations at the Fire Brigade Warehouse at Bebunga Estate show that all facilities and infrastructure are in good and well-maintained condition, firefighting simulation activities are also running smoothly. and the tools used can function optimally. The company already has complete facilities and infrastructure as shown in the document List of Fire Extinguishing Equipment and Other Equipment with the latest update in June 2022. Based on field observations and at the location of the fire towers in Bebunga Estate and Bakau Estate, it also shows that the company is managing well the facilities and infrastructure. The results of interviews with several employees also stated that the company had made efforts to prevent and control fires through the installation of signboards, socialization, and fire simulations by the firefighting team for each unit and as a whole involving relevant stakeholders and the surrounding community.

In addition, the company can also show several documents related to fire management that have been carried out, including:

- Map of fire prone areas including locations of fire towers, reservoirs and storage facilities and infrastructure.
- Prepare a Preparedness Report document for PT LMR's forest and land fire control systems, facilities and infrastructure for the first semester of 2022 which will be sent to the Plantation Service and the Environment Agency on July 1, 2022.
- Records of patrolling fire-prone areas for the period January – June 2022 with no fire results. The results of the examination of the document revealed that there have been no fire incidents in the company's operational areas since the last year.
- The company also reports management related to fires in the RKL-RPL document every semester.
- As an effort to prevent fires, the company can also show reports related to the installation of fire warnings, prohibitions on burning garbage and so on.

The results of the interview with the Plantation Office of Kotabaru Regency also stated that the firefighting equipment owned by

the company was sufficient for fire control. The company has a fire control system which is described in the Report on the Preparedness Report of Plantation Land Fire Control Systems, Facilities and Infrastructure for the Period of Semester 1 of 2022. The provision of fire prevention infrastructure has referred to the Ministry of Agriculture Number 05 of 2018.

### 7.11.3

The Bebunga POM Unit already has an Emergency Response Preparedness Team Structure consisting of a coach, daily chairperson, secretary, general assistant, assisted by a fire, security, removal, evacuation, and health team with a total of 45 administrators for each management unit. In addition, in involving the surrounding community to respond in the event of a fire, the company also conducts socialization to all villages around the company and involves several stakeholders and the surrounding community in simulation activities and fire prevention training.

Based on document review, interviews with management units and workers accompanied by simulations of fire extinguishers, it can be seen that the company has human resources capable of preventing and dealing with fires. This is also supported by adequate equipment and routine activities in conducting emergency response team simulations. Emergency Response Team members are employees selected by the company and trained to participate in simulations who are expected to be able to handle emergency conditions, and master the role and security measures. The company has simulated an emergency and fire on October 21, 2021. For the period 2022 – 2023, the company can show a fire management budget, part of which is allocated to form a Fire Care Society, and will cooperate with the surrounding oil palm plantation companies so that it can be synergistic and fast responsive in fire management activities.

In fire management, the company monitors hotspots from the company area using fire towers and drones so that they can cover the surrounding villages. The company also routinely provides assistance and socialization in the prohibition of land burning activities to minimize the risk of greater fires that are carried out in conjunction with the management of SIA and HCV. Several approaches taken by the company in anticipating fire incidents include:

- The technological approach, which is done by mechanized land clearing, building fire towers, training and procuring drones, creating reservoirs as water reserves, implementing Fire Danger Rating (a mechanism to determine the level of fire risk) and monitoring hotspots via satellite.
- Socio-economic approach, which is carried out with a persuasive approach to the surrounding community through counseling and socialization in tackling and anticipating fires.
- Institutional approach, namely by complementing the company's institutions by forming an emergency response team for firefighters.

**Status: Comply**

### 7.12

**Land clearing does not cause deforestation or damage any area required to protect or enhance High Conservation Values (HCVs) or High Carbon Stock (HCS) forest. HCVs and HCS forests in the managed area are identified and protected or enhanced.**

#### 7.12.1 and 7.12.8

The management unit has not carried out new land since November 15, 2018. The land clearing was carried out in 1993-2007. To ensure that land clearing for the period November 2005 to 2007 does not damage primary forest, the management unit has proposed a Disclosure of Liability and Land Cover Change Analysis (LUCA). The results of the LUCA study have been declared fulfilled by the RSPO on 20 May 2020 and have PASS status, with Final Conservation of Liability and remediation responsibility of 0 Ha. This indicates that the company did not clear primary forest after November 2005.

#### 7.12.2

Based on the verification of land clearing data, there is no indication of new land clearing after 15 November 2018, therefore the company has no obligation to conduct a High Carbon Stock (HCS) study. The Company already has a Report on Identification and Analysis of the Presence of High Conservation Value (HCV) in the Permit Area of PT. Langgeng Muaramakmur, Kotabaru Regency, South Kalimantan Province in collaboration with YASBI in 2009 with the final document in January 2010. In this

document, a High Conservation Value Area Map of PT. Lasting Muaramakmur with a scale of 1: 110,000. This activity is carried out for the scope of PT LMR where there are 4 Estates in it, namely Bebunga Estate, Bakau Estate, Sungai Cengal Estate and Lanting Estate. Based on the study, it is known that in the area of PT LMR's HGU area of **16,361.77 Ha**, 6 (six) HCV classes have been identified with a total HCV area of **1,382.82 Ha** in the form of river borders, swamps, springs, hilly areas, endangered species, and Goa. All areas of HCV class 1 to 6 are within the scope of HCV 1 area, so that in determining the size of the HCV area there is overlapping of HCV values. The following is a breakdown of the HCV area in each Estate by class, including:

HCV Class	Location				Total (Ha)
	Bakau Estate	Bebunga Estate	Sungai Cengal Estate	Lanting Estate	
HCV 1					
Actual HCV	26,84	54,2	236,76	20,08	337,88
Potential HCV	542,31	122,84	204,03	513,64	1382,82
HCV 2					
Actual HCV	0	0	222,66	0	222,66
Potential HCV	0	0	0	0	0
HCV 3					
Actual HCV	26,84	29	233,27	2,8	291,91
Potential HCV	403,58	0	90,46	163,56	657,6
HCV 4					
Actual HCV	0	51,17	225,78	0	276,95
Potential HCV	475,68	94,02	190,66	254,16	1014,52
HCV 5					
Actual HCV	0	25,2	3,1	0	28,3
Potential HCV	0	0	0	0	0
HCV 6					
Actual HCV	0	0	3,4	0	3,4
Potential HCV	0	0	0	0	0
TOTAL					1382,82

However, because Lanting Estate is not included in the scope of certification, the actual area of HCV that should be owned by the company, especially those included in the scope of certification, should be less than **1,382.82 Ha**. The company shows the 2022 HCV Assessment Management Review and Review document which states that the area of HCV that is included in the scope of certification is **1,024.80 Ha**. However, the determination of the area is still not traceable because when referring to the data above, the HCV area for the scope of certification should be **869.18 Ha**. Related to this, it becomes a non-conformity in indicator 7.12.4.

### 7.12.3

Indicator 7.12.3. currently irrelevant to Indonesia, until further decisions from the RSPO.

### 7.12.4

Based on the results of HCV identification, it is known that there is an HCV area within the scope of the certification unit covering an area of 869.18 Ha which is HCV 1 - 6 and several types of RTE species consisting of mammals, aves and herpetofauna identified as HCV 1. The company has prepared and established a plan HCV management in PT LMR's Integrated Management Plan for the Management and Monitoring of HCV for the 2020-2025 period with the scope of management and targets every year. An integrated management plan is developed in consultation with relevant stakeholders and covers areas that are directly managed and takes into account the relevant wider landscape level carried out in conjunction with the preparation of the SIA management plan. The company manages the HCV area by providing boundary markers, signboards and markers for the boundaries of the HCV area. In addition to the 5-year management plan, the company also has a management plan that is



prepared annually which aims to update management and monitoring needs, the annual program for the 2022 period includes:

- Socialization of HCV Area Management and Management of Critically Endangered, Threatened, and/or Protected Species
- Maintenance of HCV attributes by creating, installing and maintaining boundary signs, boundary markers and carrying out monitoring and maintenance of information boards.
- Monitoring of HCVs by conducting surveys for flora and fauna inventory

The implementation of HCV management and monitoring for 2022 is carried out in accordance with the 2022 HCV Management Plan where the timing and intensity of implementation are also appropriate, which can be demonstrated based on the following documents:

- Socialization of the HCV area to Bebunga Estate employees on 20 February 2022 which was attended by 30 people.
- Socialization of the HCV area to the surrounding Village Community on 20-25 March 2022 which was attended by 26 representatives.
- HCV Patrol Report for Semester 1 2021, for example the patrol conducted on April 14, 2022 in Sungai Bebunga Border to ensure Signboard and condition of the HCV area.
- Monitoring of HCV attributes and HCV boundary markers carried out every 3 months Update June 2022.
- PT LMR's flora and fauna monitoring report conducted every 6 months Update June 2022.

The company also has a map of the HCV area and topography with a scale of 1:110,000, the map is also equipped with information on: map title, cardinal directions, map legend, map update date, and map source. The company also conducts a review related to management and monitoring activities in 2021 as evidenced in the 2021 HCV Management Plan Review Report which contains evaluation and management and monitoring recommendations as an effort to improve HCV management activities in 2022.

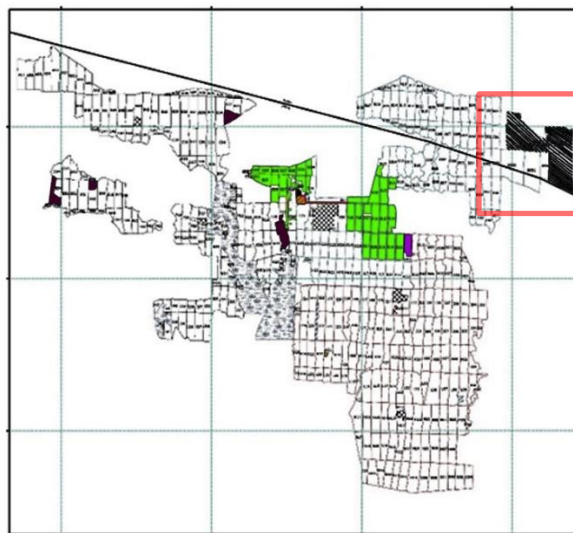
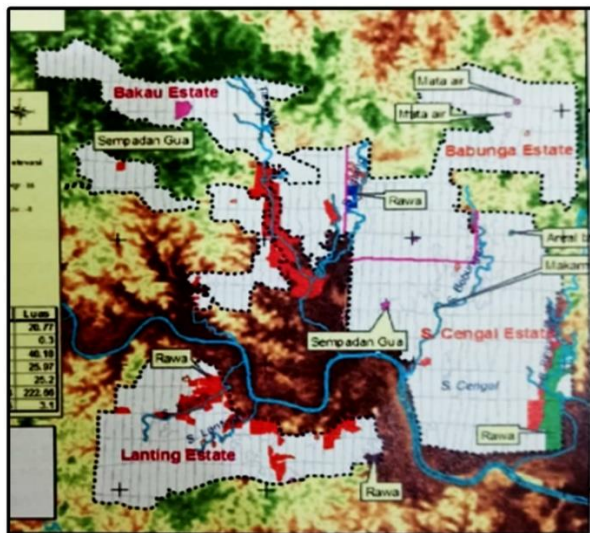
However, based on the results of document verification and field visits in several locations, the following information was obtained:

- Based on the document from the 2009 HCV assessment, information was obtained that there are 2 classifications of HCV, namely the actual HCV area of 338.18 Ha that must be managed and the 1382.82 Ha potential area of HCV that is recommended to be managed. For the actual HCV area, all of it is inside the HGU, while for the potential HCV area it is inside and outside the HGU area. However, based on the results of field observations and document verification, it shows that the condition of the HCVs managed by the company is not in accordance with the documents from the 2009 HCV assessment because not all of the Actual and Potential HCV areas have been managed by the company. The HCV currently being carried out, the map and extent of the HCV realization being managed, as well as the extent of the HCV that is included in the scope of certification.
- The company has not yet been able to present an integrated management plan document that has been reviewed at least once in five years which has been developed in consultation with relevant stakeholders. This is considered quite important because the actual conditions in the field for several potential HCV locations according to the results of the 2009 HCV assessment have been identified by the company as enclave and/or occupation areas. The results of field observations in the HCV area in the Bakau Estate Field A021, Block E50 show that the enclave area is still forest, so the potential threat of clearing HCV areas is quite high considering that other potential HCV areas located in swampy areas and inundated areas have been cleared by Public.
- Based on the analysis of the 2009 HCV assessment documents, it shows that the scope of the document study refers to HGU No. 12 of 1997 and HGU No. 04 of 1998 with a total area of 16,361.77 Ha. However, when referring to the operational map and satellite imagery, it shows that there are areas of the company that are included in the scope of certification but are not included in the scope of the HCV assessment, namely Division 4, Bebunga Estate covering an area of 628.98 ha. This is because the area only had a HGU in 2019. The following is a comparison map between the certification scope area and the map of the HCV assessment results, among others:

**Map of HCV 2009**

**Map of Operational PT LMR**





Based on the evidence obtained, this is a discrepancy because the company has not been able to show several things, including:

- Justification regarding the determination of HCV management currently being carried out
- Map and extent of managed HCV realization
- the extent of HCV that is included in the scope of certification
- Management plan that has involved relevant stakeholders.
- The results of the HCV assessment for the scope of Division 4, Bebunga Estate.

### Non-Conformity Number 2022.06 Major category

#### 7.12.5

The company has identified the needs of the community as well as the areas needed by the affected community to meet their basic needs, taking into account the potential for positive and negative changes in their livelihoods as a result of the company's operational activities. This can be proven by the existence of HCV 5 and 6 areas in the form of ancient caves, springs and forest enclaves with a total area of 31.7 hectares. The company has identified and carried out activities to minimize risks and impacts both for the community and for the environment, for example by providing regular socialization to the community not to apply chemicals in the canal area to avoid pollution, not to clear land by burning, and so on.

The unit of certification has also considered various land tenure and management options to protect the HCV area in a way that also protects the rights and livelihoods of local communities. Since the area managed by the company is entirely already planted area for oil palm which is not directly adjacent to the settlement, the level of potential conflict between the HCV area and the community is quite low.

The results of field observations in HCV 5 and 6 areas are in the form of springs and forest Enclaves where rights to culture and important places for the surrounding community have been identified in the company area. The company's environmental conditions both within the scope and in the community, area are almost entirely planted areas of plantation plants. Currently, the company also has an agreement with the community who are members of the Fire Alert Community, for example for monitoring and patrol activities, the company has also made an agreement with the community who are active in the company's area not to hunt and trade wildlife.

Regarding local culture, the company has tried to apply conservation principles by minimizing the hunting culture of the Dayak community, especially those in South Kalimantan. Hunting activities are daily activities of local people but can be mitigated by socialization and social approaches. Based on the results of interviews with the company, it is stated that currently the company is making efforts to protect animals by involving community leaders in HCV area management activities.

**7.12.6**

The Certification Unit already has a policy set out in procedures related to animal protection Number SOP/01/Satwa/I/2010 with the latest revision on January 2, 2021. The protection measures regulated by the company are as follows:

- Company employees and contractors are not allowed to capture, maintain or kill animals that are protected by state regulations.
- Company employees and contractors are not allowed to trade in wildlife, whether protected or not. If it is proven that there is involvement in the trading of the wildlife in question, severe sanctions will be imposed, including dismissal or cancellation of the contract.
- Employees and contractors are advised not to keep or hunt unprotected wildlife. The appeal will be implemented through educational and environmental awareness programs.
- The company strongly disapproves of the sale of wild animals within the entire plantation area, including mills and emplacements, and puts up signs (information boards at the emplacement, at the office, and on the side of the road that enters the company's area) to prevent wildlife trade from entering the area. within the company area, and asking employees and contractors not to buy wildlife from traders. Security officers are tasked with prohibiting wildlife traders from entering the plantation area.
- The company understands that employees and contractors can play an important role when buying wildlife to be sent to a rehabilitation center, or released again. However, the company is well aware that buying wildlife for this reason can further stimulate trade.
- All levels of superiors in every part of the company must pro-actively socialize this issue, set an example, and give a warning if any violation of this policy is found by their subordinates. If there is resistance, immediately report it to the Assistant, Senior Assistant and Manager for further action

Information regarding the application of sanctions for employees in the form of disciplinary action in accordance with the provisions of national law is also listed on the HCV signboard which explains that "anyone who violates will be reported to the authorities with the threat of criminal and fines". The sanction is imposed by the company by giving the first warning letter to employees who violate work rules. Based on the results of interviews with company employees regarding animal protection, the company has committed to protecting animals that are within the scope of the company's management area, such as implementing a ban on hunting, killing and keeping wild animals within the company's environment. The procedure for animal protection also regulates the existence of sanctions or fines for those who violate these provisions.

In addition, the company has also carried out socialization about the existence of endangered plants and animals to employees and the surrounding community which is shown in the document of socialization minutes as evidenced by the official report which is accompanied by photos and attendance list. HCV socialization for employees and communities is carried out as described in indicator 7.12.4. Indirect socialization is also carried out by installing information boards and brochures warning signs related to conservation areas and the presence of endangered plants and animals that are protected in places that are easily visible, such as area entrances, regional roads that are often crossed by the community, and other places other strategic areas such as offices, and other public facilities. The results of field observations via video in several conservation areas show that the company has managed protected areas such as replanting local plant species, not logging, using no chemicals, and installing HCV signboards as well as prohibiting hunting and burning to avoid and prevent poaching and/or illegal hunting. or encroachment on HCV areas. Routine monitoring of HCV areas is carried out by several personnel appointed by the company.

**7.12.7**

Monitoring of HCV areas in the period of Semester 2 of 2022 is carried out regularly every month to ensure the security of the area. Monitoring activities are carried out in several river border locations and all areas of the company's management. This monitoring is carried out to see the progress of HCV management results from the initial stage to the current condition. The company also monitors the diversity of flora and fauna which is routinely carried out every year by the HCV team by showing the results of HCV monitoring conducted in 2021. The results of observing fauna in the plantation area are still found several types of protected animals that are included in the protection status according to IUCN, CITES and PermenLHK Number 106 of 2018

include the Root Tiger (*Prionailurus bengalensis*) and several types of Hornbills, Eagles, and Wild Boar (*Sus barbatus*). The results of interviews with employees also stated that there were still common types of Roots Tiger (*Prionailurus bengalensis*) and monitor lizard (*Varanus salvator*) around the plantation area.

The company also conducts annual monitoring and evaluation for the management of HCV areas where this activity aims to identify risks and impacts on conservation areas and improve protection efforts. The company also follows up on the improvement of the HCV area management plan which is made every 5 years by involving all relevant stakeholders in the company's operational areas such as the surrounding community, especially the surrounding community and law enforcement. The company also conducts a review related to management and monitoring activities in 2021 as evidenced in the 2021 HCV Management Plan Review Report which contains evaluation and management and monitoring recommendations as an effort to improve HCV management activities in 2022. Based on the results of the review, several management recommendations were obtained, including:

- Mapping of river border locations.
- Rehabilitation with local native tree species
- Setting and installing buffer zone boundary markers.
- Controlling the use of chemicals.
- Installation of information boards related to swamp protected areas.
- Socialization of the HCV program to all employees / related parties.

All evaluation results will be reviewed and will be adjusted to the HCV management program in the 2022 period. The evaluation results also show an increase in species encounters. In addition, the management and monitoring of HCVs has been carried out in a participatory manner, namely by involving the community around the plantation, one of which is an agreement with the community to jointly protect the HCV area. If we refer to the 2021 HCV Management Program, 2021 HCV Management Report, 2021 HCV Management Review and actual conditions in the field, it can be concluded that the company has managed well as stated in the document. Vegetation conditions in the HCV area are also dense and without any indication of chemical application.

7.12.4

Status: Non-Conformity Number 2022.06 Major category

### 3.2 Conformity Checklist of Certificate and Trademark Use

1.	Evidence of permission or approval certificate and trademark from Certification Body which submitted by Client	X or ✓
ASA-1.4 & RC-2 (Onsite)	Sime Darby Plantation Berhad as parent company of PT LMR has had trademark license with number RSPO-1106024. During documents review PT LMR does not use RSPO logo/trademark.	✓
	Status: Comply	
2.	Implementation of certificate and trademark used by Client comply with size and type (shape) against Guideline of trademark Use	X or ✓
ASA-1.4 & RC-2 (Onsite)	Sime Darby Plantation Berhad as parent company of PT LMR has had trademark license with number RSPO-1106024. During documents review PT LMR does not use RSPO logo/trademark.	✓
	Status: Comply	
3.	Implementation of Certificate and Trademark is not used on product	X or ✓
ASA-1.4 & RC-2 (Onsite)	Sime Darby Plantation Berhad as parent company of PT LMR has had trademark license with number RSPO-1106024. During documents review PT LMR does not use RSPO logo/trademark.	✓
	Status: Comply	
4.	Controlling of Certificate and Trademark, including withdrawing inappropriate trademark.	X or ✓
ASA-1.4 & RC-2 (Onsite)	Sime Darby Plantation Berhad as parent company of PT LMR has had trademark license with number RSPO-1106024. During documents review PT LMR does not use RSPO logo/trademark.	✓
	Status: Comply	

### 3.3 Summary of RSPO Partial Certification.

Compliance of the uncertified management units of Sime Darby Plantation Berhad against the rules for partial certification was determined through Self-Assessment in accordance with RSPO Certification System clause 4.2.4. A summary of findings is as stated below.

Sime Darby Plantation Berhad Time Bound Plan is explained in table section 1.10. Sime Darby has achieved 34 management units in Malaysia and 24 Management Units in Indonesia that RSPO certified. Total management unit in Sime Darby Plantation Berhad are 34 in Malaysia, 25 in Indonesia and 1 in Liberia. Sime Darby Plantation Berhad has informed the Time Bound Plan progress through representative's office in Indonesia. MUTU has considered that Sime Darby Plantation Berhad is comply with the RSPO requirement for Time Bound Plan. The Time Bound Plan was revised and declared by the Sime Darby Plantation Berhad Indonesian representative on January 2022 by the Head of Sustainability & Quality Management.

MUTU has verified partial certification for un-certified unit's subsidiary of Sime Darby Plantation Berhad based on their TimeBound Plan. MUTU Auditor verified positive assurance against the company internal audit and supporting evidence as well as any information from others sources.

MUTU Auditor has verified company partial certification and concludes that:

- PT Budidaya Agro Lestari waiting for land title process to some of its operational area.
- PT Guthrie Pecconina Indonesia – Sungai Jernih Estate currently is in HGU process
- The company has followed RSPO requirement related to New Planting Procedure and Remediation and Compensation Procedure.
- There is no labor disputes that are not being resolved through an agreed process.
- All plantations established since 2005 have been done so in accordance with the applicable laws of the country and that there is no evidence of non-compliance with law in any of the non-certified holdings which has not been declared above.

Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.1.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p><b>Company Group/Holding Statement:</b> The sustainability unit has conducted the internal audit for 9 units and updated in the compliance status of uncertified management unit. There is no replacement of primary forest or HCV area and no new planting after January 1st 2010. Other than that, land conflicts and land disputes also being audited and approved by Head of Sustainability-Indonesia.</p> <p><b>Auditor Verification:</b> Internal Audit report available for uncertified management unit.</p>



Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.1.2	<p>No replacement after dates defined in NIs Criterion 7.3 of:</p> <ul style="list-style-type: none"> <li>Primary forest.</li> <li>Any area identified as containing High Conservation Values (HCVs).</li> <li>Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	<p><b>Company Group/Holding Statement:</b></p> <p>No replacement of primary forest or HCV or no new planting after Jan 1st 2010 for all uncertified units except for PT Sime Indo Agro, Bukit Ajong Mill East* Estate / Sei Mawang Estate which is currently under RaCP. LUCA submitted and currently under review process by appointed reviewer by RSPO.</p> <p><b>Auditor Verification:</b></p> <p>Sime Darby Plantation Berhad sent disclosure of liability including LUCA analysis to RSPO Secretariat on 2 December 2014 and 2<sup>nd</sup> revision on 24 June 2016. Current status of LUCA report of SDP Bhd is having been sent the 19 report of LUCA to RSPO on Aug 2018, responded by RSPO with need clarification. The companies ensuring reporting of disclosure of liability progress to RSPO and according to the CB's correspondence with RSPO Remediation and Compensation.</p>
2.1.3	<p>Any new plantings since January 1<sup>st</sup> 2010 must comply with the RSPO New Plantings Procedure.</p>	<p><b>Company Group/Holding Statement:</b></p> <p>No new plantings. As at 16 Jan 2020, Sime Darby Plantation under its unit Sime Darby Plantation Investment (Liberia) Pte Ltd has completed its disposal of its entire interest in Sime Darby Plantation (Liberia) Inc (SDP Liberia) to Mano Palm Oil Industries Ltd (MPOI).</p> <p><b>Auditor Verification:</b></p> <p>Karya Palma Estate (PT Sandika Natapalma) and Beturus Estate (PT Budidaya Agro Lestari) any new planting after January 1<sup>st</sup> 2010 and due to not conduct NPP it will be object of sanction.</p>
2.1.4	<p>Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.</p>	<p><b>Company Group/Holding Statement:</b></p> <p>The group has land conflict procedure in place. No Land conflict registered with RSPO Complaints System. No outstanding complaints with the RSPO.</p> <p><b>Auditor Verification:</b></p> <p>Auditor has verified the supporting evidence of above the company statement and there is no conflict in uncertified area.</p>



Un-Certified Units or Holdings		
Section	Requirement	Concerns to Discuss, if any
2.1.5	Any Labour disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	<p><b>Company Group/Holding Statement:</b> No stakeholder comments or complaints received.</p> <p><b>Auditor Verification:</b> Auditor has verified the supporting evidence of above the company statement. There are no labour dispute in company unit.</p>
2.1.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	<p><b>Company Group/Holding Statement:</b> None noted. No stakeholder comments or complaints received.</p> <p><b>Auditor Verification:</b> Auditor has verified the supporting evidence of above the company statement. There is any legal non-compliance for company under SDP waiting for land title process, i.e.:</p> <ul style="list-style-type: none"> <li>• PT Sime Indo Agro 5,815 Ha</li> <li>• PT Bina Sains Cemerlang 308.25 Ha</li> <li>• PT Bahari Gembira Ria 1,639 Ha</li> <li>• PT Guthrie Pecconina Indonesia 890 Ha</li> </ul>

### 3.4. Identification of Findings, Corrective Action, Observations, Opportunity for Improvement and Noteworthy Positive Components.

#### 3.4.1. Identification of Findings, Corrective Actions and Observations at ASA-1.3 Assessment

NCR No.	:	2020.01	Issued by	:	Moh. Arif Yusni
Date Issued	:	21 February 2020	Time Limit	:	Next Surveillance
NC Grade	:	Minor	Date of Closing	:	ASA-1.4 (remote)
Standard Ref. & Requirement	:	2.2.2 All contracts, including those for FFB supply, contain specific clauses on meeting applicable legal requirements, and this can be demonstrated by the third party.			
Evidence observed (filled by auditor): Based on document verifications and interview with management it was known in 2019 there are several activity that outsourced to contractor or third party that is three (3) contractors in Bebunga Factory, seven (7) contractors in Bebunga Estate, six (6) contractors in Sungai Cengal Estate dan four (4) contractors in Bakau Estate.  The engagement between the company and contractor regulated in work agreement that agreed by both party. Pertaining clausal about the fulfillment to the applicable regulations mentioned in in one of the articles who mentioned if the contractors should to comply related legal or law requirements.  As an effort to ensure compliance related responsibilities with regard to the law, the certificate holder can presented Procedure about Work Regulations for Contractors (001 / SOP-PKK / II / 2019 dated 28 February 2019) with the purposes which aim to the evaluation of the application of standard-labor standards that have been agreed and monitoring all contractors workers.  In this regard, the company has been not able to demonstrate implementation of the Procedure about Work Regulations for Contractors and the provisions that set out in the RSPO Principles and Criteria, related to: <ul style="list-style-type: none"><li>• Evidence about the minimum wages in accordance with regulation</li><li>• Health and employment insurance</li><li>• Implementation of OSH aspects</li></ul> In the RSPO certification system 2017 clausa 4.4.6 mentioned if <i>In cases where an organization seeking certification contracts or outsources non processing activities to independent third parties (such as labor, transport and external bulking activities), the activities of these third parties fall inside the scope of certification, and they shall comply with all relevant requirements of the RSPO certification standards)</i>  Non-Conformance Description (filled by auditor): the company has been not able to demonstrate implementation of the Procedure about Work Regulations for Contractors and the provisions that set out in the RSPO Principles and Criteria					
Root Cause Analysis (filled by organization audited): Monitoring of work to contractors is carried out in stages by BKE, BBE and SCE. This has not yet reached the monitoring of proof of payment of minimum wages, health and employment insurance, the implementation of K3 aspects carried out by companies to contractors. Because, monitoring of new contractors is limited to job performance and the number of workers.					
Correction (filled by organization audited): SCE, BBE, BKE, BBF monitor all contractors in accordance with the Contractor Work Regulations SOP. Monitoring activities will be carried out by the supervisor who is checked by the assistant and recognized by the manager. Documentation attached.					
Corrective Action (filled by organization audited): Monitoring activity reports will be carried out at the beginning of making SPK and before payment (Simultaneously with the making					

of BAPP). Then, to ensure that activities in the field are in accordance with the contract, the safety officer/ officer appointed to carry out control at least once a week is reported to the assistant. And if there is a violation, the contractor will be given sanctions in accordance with the agreement contained in the SPK based on the weight/lightness of the violation.

Before carrying out these corrective actions, we will conduct socialization again regarding the SOP of Contractor Work Regulations to contractors by the company, and it was agreed that this monitoring was carried out during the socialization.

Documentation attached.

**Assessor Evaluation and Conclusion** *(filled by auditor):*

**Verification ASA 1.4 (remote audit)**

The company shows evidence of improvement in the form of:

- The Contractor Monitoring document contains information such as contractor name, contract number, contract period, employee name, BPJS number, K3 commitment, code of ethics and wages of the worker.  
For example, the monitoring document for the Bebunga Factory (BBF) contractor were carried out on contractors CV Tujuh Putra and CV Nayla Makmur Jaya. Both contractors already have a valid SPK for the types of transportation services for CPO and PK. The workers of the two contractors have been covered by the BPJS, the workers are equipped with PPE, have been socialized and understand the company code of business ethics and the salaries earned by contractor workers have met the applicable minimum wage.
- Minutes of Socialization of Code of Conduct and Contractors Obligations dated January 14, 2021 to local vendors and contractors.
- Evidence of compliance with regulatory requirements that have been met by the following Contractor:
  - PT Jaya Mulia Bintang Borneo (Heavy Equipment Rental Provider) includes proof of BPJS Employment contributions, employee salary slips for February 2021 showing the minimum wage according to the provisions and proof of deduction for Social Security and Income Tax 21. As a contractor providing heavy equipment, the contractor also has a SIO Operator. Grader (Reg: P.13.25376.OPK3-LT / PAA / X / 2018 valid until October 5, 2023).
  - CV Nayla Makmur Jaya (Heavy Equipment Rental Provider) includes proof of BPJS Employment contributions, employee salary slips for February 2021 showing the minimum wage according to the provisions and proof of withholding Social Security and PPh 21 taxes.

Based on the evidence of improvement shown as well as the root cause analysis and corrective action described, the minor category non-conformities on this indicator are declared to have been fulfilled and will be re-observed in the actual field during the onsite audit

**Verified by** : **Hasiholan Sihombing**

NCR No.	:	2020.02	Issued by	:	Radytio Puspanjana
Date Issued	:	21 February 2020	Time Limit	:	21 May 2020
NC Grade	:	Major	Date of Closing	:	8 April 2020
Standard Ref. & Requirement	:	3.4.3 The social and environmental management and monitoring plan is implemented reviewed and updated regularly in participatory way.			
Evidence observed (filled by auditor): Base on document verification known Social Impact Management and Monitoring plans for 2018-2020, where the sources and kind of impacts managed and monitored include: <ul style="list-style-type: none"><li>• Replanting activities.</li><li>• Improvement of Community Economy from plantation and mill activities.</li><li>• Increased education, labor and health from plantation and factory activities</li><li>• Maintenance of local wisdom.</li></ul> On management plan and social monitoring, explained about the officer / PIC responsible, period and location, parameters,					

management efforts and monitoring efforts, for replanting activities as follows:

- PIC: KTU / Kasi / PSQM / PSD.
- Period and location: semester / **every six (6) months to the village community around the plantation.**
- Benchmarks / parameters: activities reduce negative impacts and increase the positive impacts of replanting activities affecting the water environment and social environment.
- Management efforts: applying water conservation and labor allocation to the replanting area of the community around the plantation.
- Monitoring plan: **Interviews and questionnaires monitoring replanting activities on estate.**

Base on PT LMR social impact management & monitoring report July 2019 is know management and monitoring of social impacts that have been carried out are the company's relationship with the community, the impact caused by the company (economic facilities), the respondents' income before and after the company and the respondent's expectations regarding local communities work on PT LMR.

The method used is through the socio-economic questionnaire (July 2019) which explains related data of respondents, the general view of company, use of social indexes (Education, Economy, Culture, Perceptions about the environment and perceptions about project / company).

Meanwhile, on report on the implementation of RKL-RPL semester 1 of 2019 in the replanting activities section, it explains the implementation of management which includes:

- Management of increased erosion and surface runoff.
- Management of impact biodiversity.
- Management of impact social aspects.

While monitoring efforts include:

- Monitoring of Erosion and Surface Runoff.
- Monitoring of Biodiversity.
- Monitoring of Social Aspects.

Base on RKL-RPL report Semester 1 2019, the implementation of Monitoring of Social Aspects regarding replanting was **carried out on 2017.**

In this regard, company has not been able to show evidence that the activities of monitoring and managing social impacts regarding **replanting activities have not been carried out in accordance with the stipulated period, namely every semester / six (6) months.**

### **Non-Conformance Description** (filled by auditor):

The company has not been able to show evidence Management & monitoring plan for the impact of replanting activities has been carried out in accordance with the specified period.

### **Root Cause Analysis** (filled by organization audited):

The management plan & monitoring of the social aspects of replanting activities have been carried out but have not been updated in the reports because at the time of the RPL RK report making the replanting report had not been reviewed by the PSQM area team, so the report had not been included in the RK RPL report. Next SIA report will be added in the RSKL – RPL reports or other social reports.

### **Correction** (filled by organization audited):

- Presented documents of identification affected village for replanting activities for period if 2018 -2020
- Presented SIA questionnaire documents for the impact of replanting activities to affected villages that carry out in 20 December 2020
- Presented Review SIA PT. LMR related replanting activities in PT LANGGENG MUARAMAKMUR towards the village around the Company.
-

### Corrective Action (filled by organization audited):

The SQM team coordinated with each other to speed up the review process for a maximum of 1 month after the semester period, especially the RPL RKL results regarding Replanting social aspects so that no RKL RPL report sections had not been reviewed but had been sent. PIC for making RPL RKL PT. LMR is the LMR Sustainability Staff and the reviewer is the SQM area.

### Assessor Evaluation and Conclusion (filled by auditor):

Auditor verification 8 April 2020

The company shows evidence:

- Village Identification Documents affected by replanting activities in 2018-2020 PT. LMR September 18, based on the document, the nearest is villages Bakau, Tamiang village, Binturung village, Lintang Jaya village, Mulyoharjo / Sebangau and Wonorejo / Balaimea village.
- Document SIA questionnaire filling for the impact of replanting activities to affected villages, for example Tamiang village, Binturung village, Lintang Jaya village, Sigendang village, Mulyoharjo village, Wonorejo village, Bakau village, Sebangau village, Balaimea village and Pamukan Indah village.
- For the period 2020 review document of replanting activities to villages around the company, December 20, 2019 concluded that replanting activities had a positive impact on the nearest community, such as employment, increasing income, and increasing business opportunities for the nearest community.
- Presented Review SIA PT. LMR related replanting activities in PT LANGGENG MUARAMAKMUR towards the village around the Company.

The company shows evidence that the activities of monitoring and managing social impacts regarding replanting activities, based on the evidence of improvement submitted, concluded non-conformity No.2020.02 was fulfilled and will be observed in the next assessment.

**Verified by** : **Radytio Puspanjana**

NCR No.	: 2020.03	Issued by	: Haikal Ramadhan Kharismansyah
Date Issued	: 21 February 2020	Time Limit	: Next Surveillance
NC Grade	: Minor	Date of Closing	: ASA-1.4 (remote)
Standard Ref. & Requirement	3.5 A System for managing human resources is in place 3.5.2 Employment procedure are implemented and records are maintained		
Evidence observed (filled by auditor): Based on the BBE employee register document for the period of January 2020 it is known that there are employees with NIK 0000124806 with <i>PKWT</i> status who have been working since March 1, 2015. It can be shown the history of the contract extension of the worker for example SPK No: 005 / BBE-PKWT / IV / 2017; SPK No: 001 / BBE-PKWT / IV / 2018; and SPK No: 001 / BBE-PKWT / IV / 2019. In the Collective Labor Agreement of PT LMR article 14 it is stated: Specific Time Work Agreements can be carried out by companies for certain types of work in accordance with regulations. The company makes certain <i>PKWT</i> standards - Inter-Office Mail No. 085 / RSP-i2 / XI / 2016 dated 11 November 2016 and Inter-Office Mail No. 017 / HRM-i5 / I / 2019 dated January 25, 2019 regarding the use of non-permanent employees or <i>PKWT</i> explains that the use of <i>PKWT</i> is intended for harvest employees during the peak season (seasonal), and the appointment and extension of the <i>PKWT</i> contract refers to applicable laws and regulations. - <i>Kepmenakertrans No. 100 of 2004</i> concerning <i>PKWT</i> : CHAPTER II: <i>PKWT</i> for work that is completed once or is temporary in nature whose completion is no longer than 3 (three) years CHAPTER III: <i>PKWT</i> for work that is seasonal CHAPTER IV: <i>PKWT</i> for work related to new products			

CHAPTER VII concerning the Change of PKWT into PKWTT: Article 15 paragraph 2 states that in the event that PKWT is made not fulfilling the provisions as referred to in Article 4 paragraph (2), or Article 5 paragraph (2), PKWT becomes PKWTT since the employment relationship exists.

- Corrective Action previous assessment: Kasi / KTU coordinated with HRM to monitor PKWT that have expired the contract or have exceeded 2 times the contract extension. And the PSQM staff conducts an internal audit once a year to ensure these findings are not repeated Implementation of the plan has not been demonstrated

So that employees with NIK 0000124806 have experienced a contract extension > 3 times with a work period of  $\pm$  5 years but not monitored

### Non-Conformance Description (filled by auditor):

The Company has not been fully consistent in implementing the established human resource management procedures.

### Root Cause Analysis (filled by organization audited):

PKWT employee monitoring has not been carried out by the management of PT LMR, so that there are several non-permanent contracts that exceed 3 times the contract period. In addition, this is because there is a change of leadership (Area Controller) at PT LMR so it is not known that PKWT has been extended more than 3 times.

### Correction (filled by organization audited):

Make PKWT monitoring for each unit. Monitoring was made by Kasi, who was known to the manager. And reported to HRM Region every year or if there is an extension. In addition, monitoring is also carried out by sending a copy of the new PKWT report to the Regional HRM to monitor the PKWT. Non-permanent contracts that exceed the 3-times renewal period will be submitted to SKU, and the contract will be terminated if they do not get approval from management. Documentation attached.

### Corrective Action (filled by organization audited):

Create Memos to ensure that monitoring is carried out properly by every PIC involved and disseminated to personnel, Kasi and unit managers. Documentation attached.

### Assessor Evaluation and Conclusion (filled by auditor):

#### Verification dated 08 April 2020

In order to show proof of the intended improvement and please provide additional information in the bold blue color section. Non-conformities are declared unfulfilled.

#### Verification dated 14 April 2020

- Evidence of improvement has been added in the form of a Memo from AC Pamukan 1 dated February 27, 2020 Number 15 / AC / RSPO / PKWT / II / 2020 Office regarding ensuring that the PKWT contract is in accordance with the regulations. The memo has arranged, among others, the procedures for the PKWT system and the obligation to monitor the PKWT working period.
- No response has been given to the auditors' questions regarding root cause analysis, corrections, and corrective actions.

#### The Auditor's Conclusion:

In order to provide feedback and additional information in the section on root cause analysis, correction, and corrective action. Non-conformities are declared unfulfilled.

#### Verification dated 19 March 2021 (ASA 1.4 remote audit)

The company shows the following evidences:

- The document of Employee List of BBF (update March 2021), BKE (updated February 2021), BBE (updated February 2021), and SCE (updated March 2021), contains the employees profile information including name, ID, position, employee status, date of birth, date of work entry, etc. The longest PKWT is NIK 0000133319, date of entry for work is 26 June 2019 (SPK No 001 / BBE-PKWT / VI / 2019, 1 year agreement period) and has been renewed 1 time on 27 July 2020 (SPK No 001 / BBE-PKWT / VII / 2020, the agreement period is 1 year) after a break of 30 days without a work relationship.
- The document of PKWT/contracted Monitoring (February 2021) made by each unit (Estate and POM), containing information on employee names, types of work, contract agreement validity period, BPJS Number, and worker wages. Monitoring is carried out by the Personalia section of each unit to ensure that the company implements human resource management procedures in accordance with applicable regulations regarding PKWT.

Based on the evidence of improvement shown as well as root cause analysis and corrective action described, the minor category non-conformities on this indicator are declared **Comply** and will be during the onsite audit.



<b>Verified by</b>	:	<b>Hasiholan Sihombing</b>
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<b>NCR No.</b>	:	<b>2020.04</b>	<b>Issued by</b>	:	<b>Haikal Ramadhan Kharismansyah</b>
<b>Date Issued</b>	:	<b>21 February 2020</b>	<b>Time Limit</b>	:	<b>21 May 2020</b>
<b>NC Grade</b>	:	<b>Major</b>	<b>Date of Closing</b>	:	<b>14 April 2020</b>
<b>Standard Ref. &amp; Requirement</b>	:	<b>3.6.1</b> <b>All operations are risk assessment to identify H&amp;S issues. Mitigation plans and procedure are documented and implemented</b>			
<b>Evidence observed (filled by auditor):</b>  <p>The OHS plan that has been carried out by the company includes compiling risk analysis documents and carrying out periodic health inspection activities for employees deemed to have high work risks. Based on the results of the document review, the following facts were found:</p> <ul style="list-style-type: none"> <li>- Risk analysis documents that have been prepared do not fully discuss all of the company's operational activities, for example risk analysis in manual upkeep activities, replanting activities, nursery activities, and castration. In addition, the risk analysis document presented also cannot be ascertained as a valid document because it has not been approved</li> <li>- Not all workers identified have a high risk of taking part in periodic health inspection activities- Periodic health examination activities were carried out on January 7 and 08, 2020. BBF included 43 workers while BBE, SCE, and BKE included a total of 193 workers</li> <li>- However, based on the results of document review and information from company doctors, it is known that not all participants who are planned to attend the MCU are present such as 4 mechanics, 1 laboratory assistant, 2 WTP operators, 2 Boiler Operators, 1 Engine room operator, and 1 Nut &amp; Kernel operator . In the information provided by the company, it was stated that the absence was caused by employees on leave, illness, loss to follow-up, and not coming to the clinic.</li> <li>- It has been shown the application letter for the schedule of MCU for the follow-up of employees in accordance with letter no. 29 / BBF / FM-Klinik / II / 2020 dated February 20, 2020 for 11 BBF employees.</li> <li>- However, procedures or mechanisms that have yet to be detailed and clear about plans and follow-up periodic checks as a form of OHS mitigation have not yet been demonstrated.</li> </ul>					
<b>Non-Conformance Description (filled by auditor):</b> <ol style="list-style-type: none"> <li>1) Risk assessment conducted by companies to identify Occupational Health &amp; Safety (OHS) problems does not cover all operational activities</li> <li>2) The company has not been fully consistent in establishing and implementing a Work Health and Safety plan</li> </ol>					
<b>Root Cause Analysis (filled by organization audited):</b>  <ol style="list-style-type: none"> <li>1. The Risk Assessment has not included work on immature and palm oil mechanization because at the time of the review it was conducted by PSQM and did not involve the unit operational team</li> <li>2. There is no mechanism for OHS plan mitigation procedures because the SOP for OHS plan mitigation is in the form of SOP based on mitigation measures so that the mechanism to ensure mitigation actions are implemented properly has not been included</li> </ol>					
<b>Correction (filled by organization audited):</b>  <ol style="list-style-type: none"> <li>1. Holding a meeting involving the unit operational team to review the Risk assessment in the OHS committee meeting which will be held at the end of each year. The OHS committee implementation PIC is the OHS committee secretary of PT LMR Documentation attached.</li> </ol>					

2. Making a memo from the Area Controller which contains a mechanism regarding mitigation procedures for the established OHS plan. In the memo there are provisions requiring employees who are not present but have been given permission to get strict sanctions in the form of loss to follow-up, and employees who are on leave / sick and who are absent will be included in the follow-up  
MCU Documentation attached.

### Corrective Action (filled by organization audited):

1. Add a schedule of OHS committee discussion plans for a year to ensure a review of the risk assessment is carried out properly. Documentation attached
2. Ensure that the memo goes well by providing outreach to operational units, clinics by the Sustainability Staff.

### Assessor Evaluation and Conclusion (filled by auditor):

#### Verification on April 08, 2020

The company has provided evidence of improvements in the form of:

1. PT LMR OHS committee work program for the 2020 period
2. Socialization of AC memo regarding OHS mitigation on 20-27 March 2020 which was attended by a total of 100 people representing all PT LMR plantation and factory units
3. HIRAC updates the 2020 period of PT LMR which has explained the activities in Immature and the mechanization of the harvest

However, the company has not been able to show:

1. Memo from AC about the intended OHS mitigation
2. OHS mitigation procedures for established OHS plans specifically regarding employee medical checkup. What if the names submitted were not present at the examination? What is the plan and follow-up to ensure and evaluate the established OHS plan?

Based on the description above, the nonconformity is stated not yet closed

#### Verification on April 14, 2020

The company shows evidence of improvement in the form of IOM from AC Pamukan 1 dated February 27, 2020 regarding the MCU examination which includes regulating:

1. Every employee who is included by the MCU but intentionally avoids will be given a warning letter and is considered absent
2. If there are employees who are on leave or other matters unable to attend and together with the MCU period, the clinic will reschedule the MCU schedule for the employee
3. The level of supervision has responsibility for the implementation of the MCU and monitoring of these activities

### Auditor Conclusion :

Based on the root cause analysis, corrections and corrective actions the non-conformity is stated to have been fulfilled

**Verified by :** Haikal Ramadhan Kharismansyah

NCR No.	:	2020.05	Issued by	:	Radytio Puspanjana
Date Issued	:	21 February 2020	Time Limit	:	21 May 2020
NC Grade	:	Major	Date of Closing	:	25 March 2020
Standard Ref. & Requirement	:	7.10.1 GHG emissions are identified and assessed for the unit of certification, plans to reduce or minimise them are implemented, monitored through the palm GHG calculated publicly reported.			
Evidence observed & Non-Conformance Description (filled by auditor):					

The company has not been able to show GHG calculations using the Palm GHG calculator RSPO version 4.0.

**Root Cause Analysis (filled by organization audited):**

GHG calculations cannot yet be demonstrated because the SQM-Jakarta team has not yet received complete data from the operational team until the audit time has finished so that the calculations are not completed.

**Correction (filled by organization audited):**

The operational team completes the missing data to be calculated by SQM - Jakarta and submitted to the Auditor. Documentation attached.

**Corrective Action (filled by organization audited):**

SQM units as PIC coordinate with SQM - Jakarta and operational units to ensure data from operational units has been received.

### Assessor Evaluation and Conclusion (filled by auditor):

#### Auditor verification 25 March 2020

Based on auditor verification result during audit known data pesticides usages monitoring, data diesel fuel monitoring, HCV identification, data POME, total planted area and etc. found that accurate data has been put into the RSPO palm GHG Calculator. Meanwhile this GHG calculation using options Apply November 2005 Cut off for LUC.

Calculation of GHG and its monitoring has conducted by sustainability department. GHG emission calculated using RSPO palm GHG calculator 4.0 Summary of GHG emission for Bebunga POM and its supply base are listed as follows

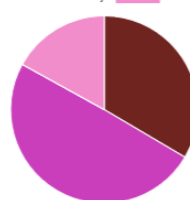
Based on the results of the auditor verification the non-conformity on this indicator has been fulfilled. Bebunga POM - 2019 Summary

#### Summary Emission

Product	tCO <sub>2</sub> e / tProduct	Action
CPO	1.58	
PK	1.58	
PKO	0.00	
PKE	0.00	

Description	Unit	Value	Action
Oil palm planted on mineral soil	Ha	23754.20	<input type="checkbox"/>
Oil palm planted area on peat	Ha	0.00	<input type="checkbox"/>
Total oil palm planted area	Ha	23754.20	<input type="checkbox"/>
Conservation area (Forested)	Ha	756.11	<input type="checkbox"/>
Conservation area (Non-Forested)	Ha	0.00	<input type="checkbox"/>
FFB Production per hectare	t/ha	11.03	<input type="checkbox"/>
OER	%	21.29	<input type="checkbox"/>
KER	%	5.10	<input type="checkbox"/>

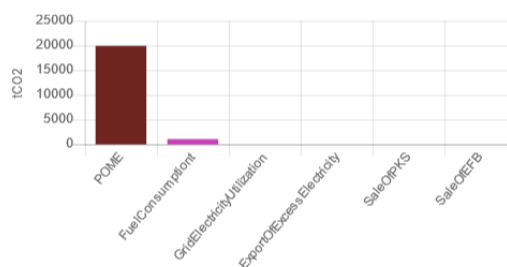
FieldEmissionOwnCrop MillEmission  
FieldEmissionThirdParty FieldEmissionGroup



#### Mill Emissions and Credits

Description	tCO <sub>2</sub>	tCO <sub>2</sub> e/t FFB	Action
Emission Sources			
POME	20028.97	0.20	
Fuel Consumption	1126.80	0.01	
Grid Electricity Utilisation	0.00	0.00	
Credits			
Export of Excess Electricity to Housing & Grid	0.00	0.00	
Sale of PKS	0.00	0.00	
Sale of EFB	0.00	0.00	
Total	21155.77	0.21	

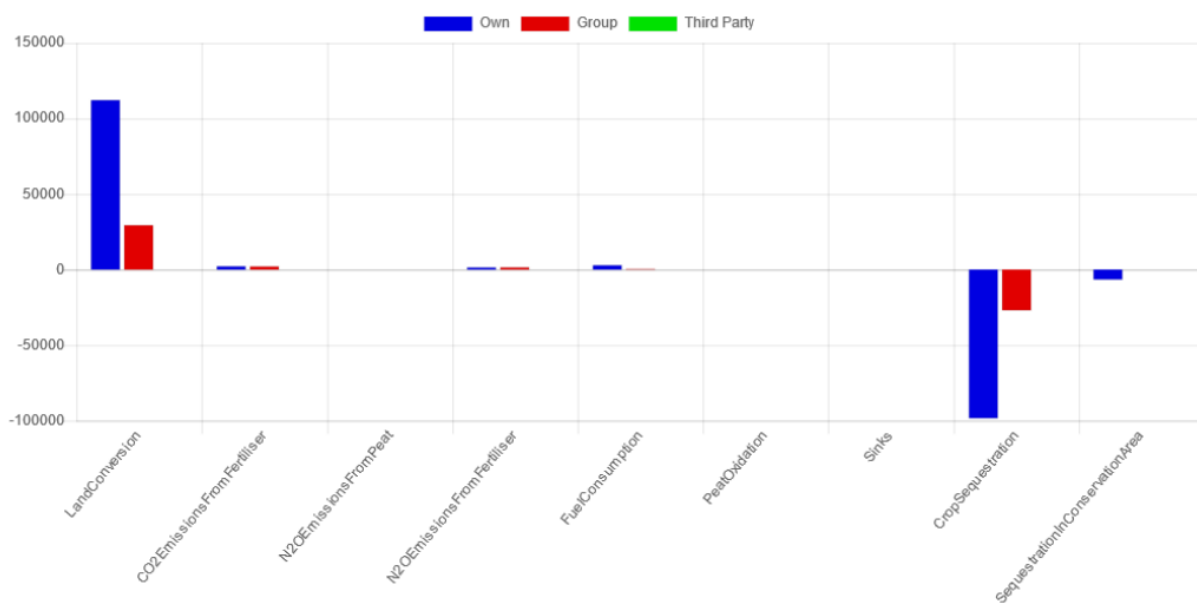
#### Emission Source/Credit



### Estate/Plantation field emissions and sinks

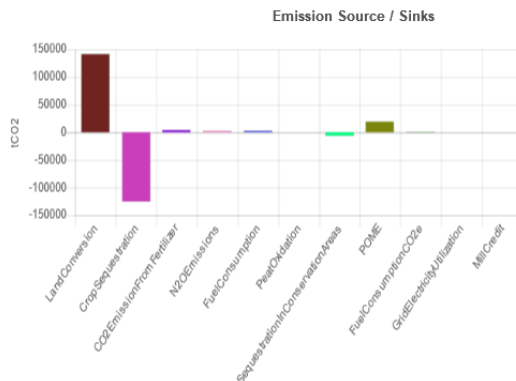
	Own			Group			3rd Party			
Description	tCO2e	tCO2e/ha	tCO2e/t FFB	tCO2e	tCO2e/ha	tCO2e/t FFB	tCO2e	tCO2e/ha	tCO2e/t FFB	Total
Emission Source										
Land Conversion	112559.20	10.36	1.15	29735.27	2.31	7.64	0.00	0.00	0.00	142294.47
CO2 Emissions from Fertiliser	2497.14	0.23	0.03	2383.97	0.18	0.61	0.00	0.00	0.00	4881.11
N2O Emissions from Peat	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
N2O Emissions from Fertiliser	1729.13	0.16	0.02	1769.93	0.14	0.45	0.00	0.00	0.00	3499.06
Fuel Consumption	3202.80	0.29	0.03	622.11	0.05	0.16	0.00	0.00	0.00	3824.92
Peat Oxidation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sinks										
Crop Sequestration	-98763.58	-9.09	-1.00	-27266.02	-2.12	-7.01	0.00	0.00	0.00	-126029.60
Sequestration in Conservation Area	-6933.53	-0.64	-0.07	0.00	0.00	0.00	0.00	0.00	0.00	-6933.53
Total	14291.17	1.32	0.15	7245.26	0.56	1.86	0.00	0.00	0.00	21536.43

### Field Emission and Sinks



### Emissions from Palm Kernel Crusher

Emission Source	tCO2e
PK from own mill	0.00
PK from other sources	0.00
Fuel Consumption	0.00
<b>Total Crusher Emissions</b>	<b>0.00</b>



Based on the results of the auditor verification the non-conformity on this indicator has been fulfilled.

<b>Verified by</b>	<b>:</b>	<b>Radytio Puspanjana</b>
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NCR No.	:	2020.06	Issued by	:	Radytio Puspanjana
Date Issued	:	21 February 2020	Time Limit	:	21 May 2020
NC Grade	:	Major	Date of Closing	:	15 May 2020
Standard Ref. & Requirement	:	7.12.8 Where there has been land clearing without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018, the remediation and compensation procedure (RaCP) applies.			
<b>Evidence observed (filled by auditor):</b> The company shows the PT LMR RaCP process as follows: <ul style="list-style-type: none"><li>• Liability and Disclosure to RSPO on December 2, 2014</li><li>• Concept Note was submitted to RSPO on March 25, 2016 and was responded to on December 5, 2016.</li><li>• The revised LUCA report is sent back on December 8, 2017.</li><li>• The Compensation Plan was sent to RSPO on March 8, 2018</li><li>• Based on communication CB's PT Mutuagung Lestari and RSPO February 13, 2019, information was obtained that "" A preliminary review of the Compensation Plan has been done. However, no further action can be taken from the LUCA is still a finalization and is pending clarification from Sime Darby. "In this regard, CH has not been able to show that the RaCP compensation plan has been approved by the RSPO.</li><li>• The evidence by an email from the RSPO May 09, 2019 where based on the results of the meeting on May 8, 2019, the points is given <b>a one year time extension period</b> to address all outstanding matters (including the approval of compensation plan) related to non-conformity raised on 7.3.1 during the RSPO Re-certification/Annual Surveillance Audits for the affected units. (The timeframe of one year whether from May 2019 or maybe staggered according to the certification dates of each Unit of Certification will be advised by RSPO Secretariat.)"</li><li>• There was an email from the RSPO secretariat on 10 February 2020 explaining that the RSPO Secretariat is awaiting clarification from the SDP about LUCA and will hold a meeting with SDP next week (after 10 February 2020) to discuss the progress of the LUCA SDP.</li></ul>					
<b>Non-Conformance Description (filled by auditor):</b> The company has not been able to show evidence RaCP compensation plan has been approved by RSPO because LUCA is still waiting to be finalized is being clarified by sime darby.					
<b>Root Cause Analysis (filled by organization audited):</b> PSQM assistant on the site didn't received latest information regarding LUCA report.					
<b>Correction (filled by organization audited):</b> The LMR team continues to coordinate with Jakarta PSQM as PIC to complete the RaCP that has not been accepted by the RSPO secretariat and communicated with RSPO secretariat about the tatus of RaCP PT LMR					
<b>Corrective Action (filled by organization audited):</b> The PSQM staff in the unit continues to coordinate with the Jakarta PSQM staff regarding the documents needed to meet the RSPO principles and criteria. And carry out internal audits by PSQM once a year, which is 3 months before the RSPO audit is conducted.					
<b>Assessor Evaluation and Conclusion (filled by auditor):</b> <b>Verification 15 may 2020</b> There is an email from the RSPO Secretariat to the SDP 14 May 2020 regarding PT LMR's LUCA status. Based on the email					



obtained that information :

1. NC raised to the units with FCL = 0 can be closed and hence proceed with certification.
2. NC raised to the units with FCL value, the NC can be left open until the next ASA in which the compensation plan needs to be approved by then.

Since the final liability for PT PSA is 0, this non conformity declared to be fulfilled and can be continued for the certification process. Based on the results of the auditor verification the non-conformity on this indicator has been fulfilled.

<b>Verified by</b>	<b>:</b>	<b>Radytio Puspanjana</b>
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## 3.4.2. Identification of Findings, Corrective Actions and Observations at ASA 1.4 (Remote)

NCR No.	:		Issued by	:	
Date Issued	:		Time Limit	:	
NC Grade	:		Date of Closing	:	
Standard Ref. & Requirement	:				
Evidence observed (filled by auditor):					
<b><i>There is no non-conformity were found in this RSPO ASA-1.4 remote audit.</i></b>					
Non-Conformance Description (filled by auditor):					
Root Cause Analysis (filled by organization audited):					
Correction (filled by organization audited):					
Corrective Action (filled by organization audited):					
Assessor Evaluation and Conclusion (filled by auditor):					
Verified by	:				

**3.4.3. Identification of Findings, Corrective Actions and Observations at ASA-1.4 & RC-2 (Onsite Audit)**

<b>NCR No.</b>	:	<b>2022.01</b>	<b>Issued by</b>	:	<b>Arief Tajalli</b>
<b>Date Issued</b>	:	<b>27 Augustus 2022</b>	<b>Time Limit</b>	:	<b>25 November 2022</b>
<b>NC Grade</b>	:	<b>Major</b>	<b>Date of Closing</b>	:	<b>13 October 2022</b>
<b>Standard Ref. &amp; Requirement</b>	:	<b>3.4.1</b> <b>Social and environmental impact assessments in new plantings or operations including mills, are carried out independently and participatively by involving affected stakeholders, including impact assessments of smallholder schemes/supplying gardens (if any). The assessment is documented.</b>			
<b>Evidence observed (filled by auditor):</b>					
Based on the results of field observations, interviews, and document verification, the following information was obtained:					
<div>1. Based on the results of the 1995 AMDAL document verification, it shows that the entity in the document is still in the name of PT Indoagri Inti Plantation belonging to the Salim Group which was the former owner before being taken over by Sime Darby Group. Related to this, a discrepancy is obtained when referring to PPRI Number 22 of 2021, Appendix V regarding Types and Criteria for Changes in Business and/or Activities that may Cause Changes in Environmental Approval, in point 8 states "that changes in the identity of the person in charge of the business and/or activity enter into components that can lead to changes in environmental approvals".</div> <div>2. Based on the results of field observations to Sungai Cengal Estate, it shows that the company has an airport facility (Air Strip). However, the company has not been able to show the results of the environmental impact assessment document for the Air Strip facility. Related to this, evidence of non-compliance is obtained when referring to the Minister of Environment Regulation No. 05 of 2012, concerning Types of Business Plans and/or Activities Required to Have an Environmental Impact Analysis, in point F-5 it states "that the construction of airports for Fixed Wing and its facilities included in activities that are required to carry out an impact analysis on the environment".</div> <div>3. Based on the results of document verification, it shows that the entire area of PT LMR which is included in the South Kalimantan Administration has been included in the scope of the 1995 AMDAL study. Meanwhile, for the company's area that is included in the East Kalimantan Administration, it refers to the results of environmental studies in the form of the 2011 DPLH Document. , based on the results of the verification of the two documents, it shows that the area of Division 4, Bebunga Estate which is administratively part of the area included in the scope of East Kalimantan is not included in the two environmental studies. This is because the 2011 DPLH document refers to the area of the Application for Location Permits covering an area of 1,213 Ha which only includes 2 Divisions, namely divisions 2 and 3, Bebunga Estate which can be proven based on the picture below: <b>HGU Map of Bebunga Estate (Division 1 – 3)</b></div>					

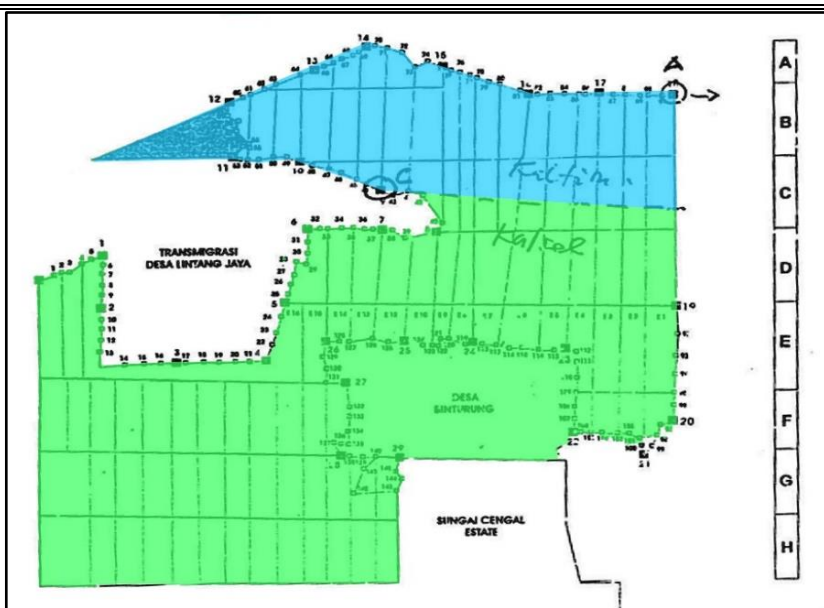
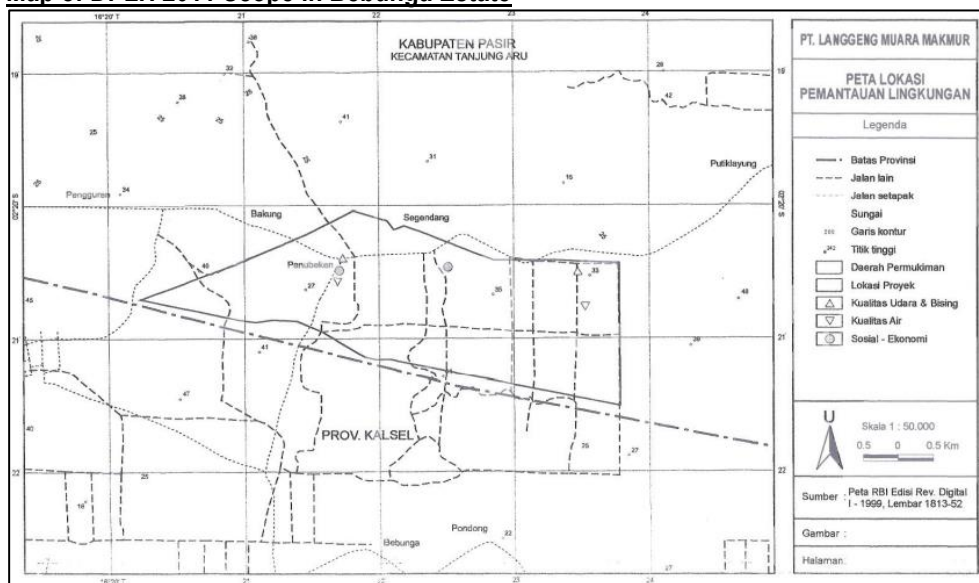


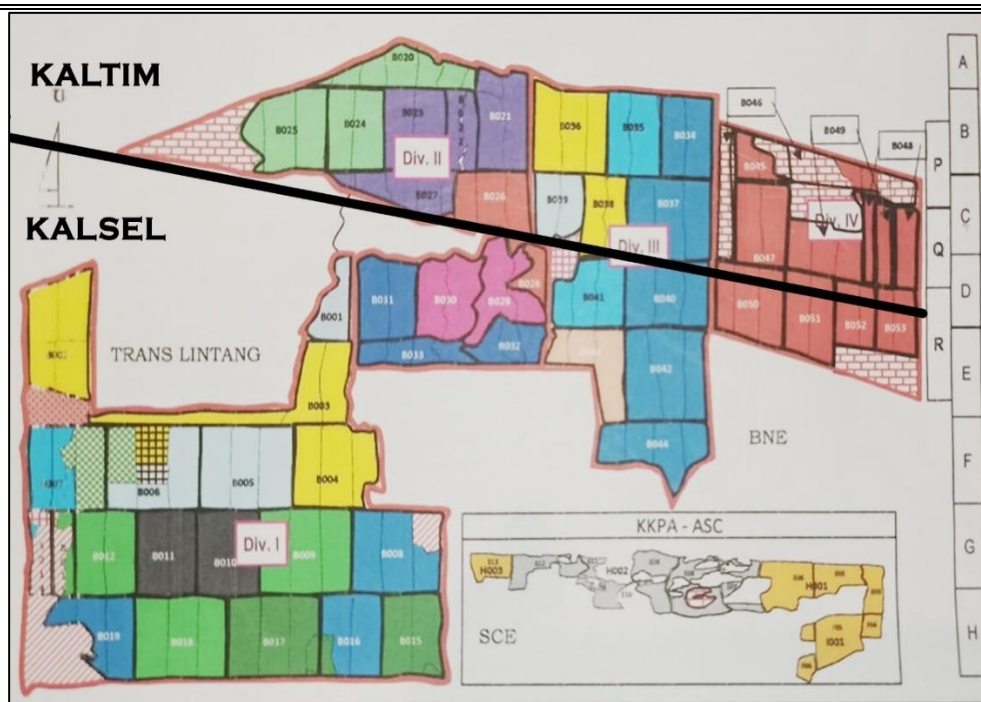
Image caption: Blue: HGU No. 04 of 1998 covering an area of 828,774 ha in East Kalimantan Province. The HGU refers to Location Permit no. 460.1/93/BPN-16.4/1999 covering an area of  $\pm 1,000$  Ha, which was then submitted for changing the Location Permit to an area of 1,213 Ha in 2007 with Number 06/T.Praja-SILP/VII/2007.

Green: HGU No. 12 of 1997 covering an area of 15,533 ha in South Kalimantan Province. The HGU refers to the reserve permit in accordance with SK 07/PL.84/1989/BPN-43 for an area of 21,840 ha in Pamukan Utara District, South Kalimantan.

### Map of DPLH 2011 Scope in Bebunga Estate



### Map of Bebunga Estate (Division 1 – 4)



Based on the pictures above, it can be seen that the 2011 DPLH study did not cover the area of Division 4 Bebunga Estate which was included in the East Kalimantan Administration area. The results of the interview with the Kotabaru District Environmental Service also explained that the Office had provided a recommendation to renew the 1995 AMDAL document because the document was no longer relevant. The recommendation has been realized but has not been comprehensive because of the 4 companies included in the scope of the 1995 AMDAL document, only 2 companies have updated the AMDAL document.

### Non-Conformance Description (filled by auditor):

The company has not been able to demonstrate that the scope of the 1995 AMDAL review is in accordance with the Company's Entity, and all locations and/or company operational activities have gone through the environmental impact assessment stage as stipulated in the applicable laws and regulations.

### Root Cause Analysis (filled by organization audited):

1. The name of related PT in the AMDAL has not changed because there has not been a request for a name change in the PT LMR in AMDAL document.
2. Air strip environmental studies have not been carried out because PT LMR has not yet found a consultant to arrange for environmental studies to be carried out by the authorized agency.
3. The PT LMR area which was included in East Kalimantan did not yet have an environmental study because at the time of its implementation, the BPN had not yet completed the HGU management so that it became a deduction from the East Kalimantan environmental study area (DPLK).

### Correction (filled by organization audited):

RSQM Coordinates with the PSD Department to make a request for an addendum AMDAL to the environmental service which includes (1) changing the name of PT Indoagri Inti Plantation to Minamas Plantation, (2) covering the total area of PT LMR and existing activities at PT LMR and (3) covering a study environment for water strip at PT LMR. The action has been initiated with evidence:

- Plan for completion of environmental studies for water strips, environmental studies of BBE division 4 and AMDAL Addendum.
- Letter of assignment for PSD to DLH Kotabaru as initial coordination for the completion of the AMDAL Addendum
- Attached document.

### Corrective Action (filled by organization audited):

The work plan for the coordination meeting between the RSQM Team and the PSD Team regarding legal and environmental

aspects at PT LMR.

### Assessor Evaluation and Conclusion (filled by auditor):

#### Auditor Verification (13 October 2022):

Companies can show proof of improvement consisting of several documents, including:

- Letter of submission for Addendum to ANDAL Number 371/LMR/UM/IX/2022 addressed to the District Head of Kotabaru Regency on September 22, 2022 explaining that there is a change in the company's condition and the current laws and regulations, the company intends to carry out an AMDAL addendum for PT Langgeng Muaramakmur (LMR) considering that there are still many studies or aspects that have not yet been included in the existing AMDAL studies. The aspects that will be included in the new AMDAL study are as follows:
  - Replanting Aspect.
  - Aspects of Airport/Airstrip Development.
  - Aspects of Utilization of Wastewater to Ground, Domestic Waste, Hazardous Waste
  - Traffic Aspect related to air pollution.
  - Forest and Land Fire Prevention Aspect
- Receipt of the document for submitting the ANDAL addendum mentioned above which was stamped and signed by the Kotabaru Regency Environmental Service on September 27, 2022.
- Letter of assignment for personal appointment who will submit the ANDAL addendum mentioned above Number 12/PSD\_KSP/IX/2022 dated September 3, 2022 which has been stamped and signed by the DPMPSTP and the Kotabaru Regency Environmental Service.

Based on the documents mentioned above, it can be concluded that the company has had the initiative to correct non-compliance by updating environmental assessment documents. Related to this, **the non-conformity has been fulfilled by observation**. Observations were made to ascertain the progress of completing the AMDAL addendum and to what extent.

Verified by : Arief Tajalli

NCR No.	:	2022.02	Issued by	:	Kiki Fadli/Haikal Ramadhan K
Date Issued	:	27 August 2022	Time Limit	:	Next Surveillance
NC Grade	:	Minor	Date of Closing	:	14 October 2022
Standard Ref. & Requirement	:	6.7.2 Accident and emergency procedures in Indonesian language are in place and clearly understood by all workers. Assigned operatives trained in first aid are present in both field and other operations. First aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed.			
Evidence observed (filled by auditor):					
<b>Fire Prevention and Fighting</b> The results of the field visit found a number of conditions, for example at Bakau Estate where there is an APAR with a red pressure indicator at a residential location (Divisions 1&3) and at a petrol storage area.					
<b>First Aid Facilities</b> <ul style="list-style-type: none"><li>The results of the field visit found the following conditions:<ul style="list-style-type: none"><li>Bebunga Mill : There are first aid kits in the process and workshop rooms, but hansaplast and triangular/mitella cloth are not yet available, There is a first aid kit at the temporary storage of hazardous and toxic waste location but the contents are incomplete.</li></ul></li></ul>					



- Bakau Estate : There are first aid kits in the chemical warehouse, but the last monitoring will be in 2021 and aquades, povidone iodine and triangular/mitella cloth are not yet available; The fertilizer foreman brought 2 first aid bags containing 11 items each, but there was no monitoring of the contents of the first aid kit and there were betadine and rivanol which had expired since 2020.
- Sungai Cengal Estate : first aid bags were found at all visits containing betadine which had expired in May 2022 and there was no aquades and monitoring of first aid kits.
- The first aid procedure for accidents and first aid kits with Number P3K-01 which states that in the mechanism for checking the box and contents of the first aid kit, in point 1, first aid checks are carried out every month and the list of drugs/materials in the first aid box is 21 items for offices and 12 items for field activities.

During the audit activities the company has shown several corrections such as completing the fire extinguisher in the Bakau housing estate and updating the contents of the first aid box at the temporary storage of hazardous and toxic waste Bebunga Mill but the company has not analyzed the root cause of the problem and preventive measures that can ensure that the things encountered during the field visit do not happen again in the area. later.

### Non-Conformance Description (filled by auditor):

The company has not been able to show sufficient evidence that its emergency response facilities and infrastructure, including first aid facilities, can be used immediately if needed.

### Root Cause Analysis (filled by organization audited):

- Light fire extinguisher is empty because it's time to be replaced. An empty fire extinguisher because based on usage it has been used for more than 4 years and not yet 5 years, so the usage has not reached the maximum limit, but at the beginning of the month checking the light fire extinguisher is still feasible to mark with the pressure gauge still on the green indicator, the light fire extinguisher acceptance document for the warehouse at BSE
- The first aid kit is incomplete because the contents of the first aid kit have not been updated because local purchases are being made.
- The contents of the first aid kit are expired because the Supervision does not understand how to check the contents of the First Aid Kit where if there is expired medicine or if it runs out, it is immediately refilled which is coordinated directly by the SCE Safety Officer.

### Correction (filled by organization audited):

- Evidence that the fire extinguisher has been replaced.
- Complete the contents of the first aid kit and replace the contents of the expired first aid kit.
- Carry out supervision socialization to be consistent in keeping the contents of the first aid kit always fulfilled.
- Conduct outreach regarding PT LMR Light fire extinguisher SOP.

### Corrective Action (filled by organization audited):

- Monitor the fire extinguisher and check the list of firefighters periodically every month by the safety officer.
- Monitoring the contents of the box and the expiration date of the contents of the first aid kit by the safety officer at the beginning of each month.
- The first aid kit usage book is updated every time it is used. Attached document.

### Assessor Evaluation and Conclusion (filled by auditor):

#### Verification on September 13, 2022

The company shows evidence of improvement in the form of:

- Minutes of the replacement of Light fire extinguisher at residential locations and in gasoline storage warehouses.
- Monitoring Light fire extinguisher and first aid kit

However, there is a need for further studies and supporting evidence, including:

- Root cause point 1 not accepted
- Please indicate the type and amount added to the first aid kit at the Bebunga Mill and Bakau Estate locations
- Please show the socialization to the supervisor to be consistent in keeping the contents of the first aid kit at the Bebunga Mill and Bakau Estate locations

So, this non-conformity is declared not fulfilled.

**Verification date 25 September 2022**

The company shows evidence of improvement in the form of:

- Minutes of filling out the contents of the first aid kit in the BBF and BKE units.
- First aid training for the PT LMR unit which was attended by 33 participants.

However, there is a need for an explanation regarding the root of the problem in point 1 and there is no evidence about PIC where (for example : in gas storage and housing) now about this mechanism for charging the fire extinguisher outside the routine monitoring schedule.

So this non-conformity is declared not fulfilled.

**Verify October 14, 2022**

The company shows evidence of improvement in the form of :

- SOP for Checking Light fire extinguisher No 65/LMR-PA/2012 which explains the mechanism for checking Light fire extinguisher and the personnel in charge of monitoring the condition of Light fire extinguisher.
- Socialization of OHS and emergency response facilities (Light fire extinguisher) which was held on August 20, 2022, which was attended by 30 participants in the BKE field.

Based on the corrective action and preventive action documents submitted, the non-conformance in this indicator is declared to be fulfilled.

<b>Verified by</b>	:	<b>Kiki Fadli/Haikal Ramadhan K</b>
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NCR No.	:	2022.03	Issued by	:	Kiki Fadli/Haikal Ramadhan K
Date Issued	:	27 August 2022	Time Limit	:	24 November 2022
NC Grade	:	Major	Date of Closing	:	13 September 2022
Standard Ref. & Requirement	:	6.7.3 Workers use appropriate personal protective equipment (PPE) which is provided free of charge to all workers in the workplace, to cover all potentially hazardous operations, such as pesticides application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing.			
Evidence observed (filled by auditor):					
PPE					
<ul style="list-style-type: none"><li>• The results of the field visit found the following conditions:<ul style="list-style-type: none"><li>- Bebunga Mill : There is 1 employee doing welding work in the workshop area, but workers do not use welding face shields and There are 3 boiler employees doing fire up work, but workers do not use glasses and earplugs.</li><li>- Bakau Estate : There are 7 spray employees who do not use glasses as provided by the company, but bring glasses that were purchased personally as eye protection and There are 15 fertilizer employees who do not use glasses as provided by the company.</li><li>- Sungai Cengal Estate : The harvest foreman does not use the shoes provided by the company and the shoes are perforated.</li></ul></li><li>• Based on the PPE Sign Board, which includes PPE for the spray team and fertilizer team, namely glasses, shoes, gloves, aprons and masks.</li><li>• Procedure for personal protective equipment Number 739/TQEM-ESH/10 which states, among others:</li></ul>					

- Point 5.1, namely that everyone in the field is responsible for wearing the appropriate PPE.
- Point 5.3, namely the assistant/Senior Assistant/Manager is responsible for ensuring that workers have and use the PPE needed and in good condition.
- Minister of Manpower Regulation No. 8 of 2010 concerning PPE in article 2 states that:
  - In paragraph 1, employers are required to provide PPE for workers/laborers in the workplace.
  - In paragraph 3, namely PPE as referred to in paragraph (1) must be provided by employers free of charge.
- The company shows corrective documentation for field visits related to PPE for Bakau Estate, Sungai Cengal Estate and Bebunga Mill, but the company has not analyzed the root causes and preventive actions so that things encountered during field visits do not happen again in the future.

### Pesticide Applicator Sanitation Facilities

- Based on a field visit to BSS Sungai Cengal Estate, the following conditions were found:
  - There are 35 lockers for officers, but the lockers are empty/not in use and several lockers are damaged.
  - Bathrooms and PPE/Work Equipment washing tubs are dry and have not been used for a long time. Whereas on the day of the field visit there were spraying activities at two different locations with a total of 26 members
- Based on interviews with spray workers at Sungai Cengal Estate and Bakau Estate, it was stated that work clothes were brought personally from home and after work, the work clothes would be washed at each worker's home.
- HIRAC Estate for the 2022 period which identifies the risk of spraying work which includes point 7, namely the workers return to the BSS and ensure that the work equipment is properly arranged, does not spill, the contents of the mixture & pump have been applied and the entire Team is in clean condition.
- Minamas Sustainability & Quality Management System (MSQMS) document Chapter 25.B concerning Block Spraying System (BSS), explains, among others, the following:
  - In point 5.20, that is, after work all employees of the BSS team must bathe first at the BSS house provided by the operational unit.
  - All PPE and clothes for the BSS team are washed at the BSS house by the officers and are not allowed to take them home.
- From the results of the field visit, it was also known that there were pesticides stored in the BSS house such as achepate and glyphosate in an open container.

### Non-Conformance Description (filled by auditor):

- The company has not been able to show sufficient evidence that workers have used the PPE provided in an orderly and consistent manner in accordance with the procedures and the results of the risk analysis that have been determined
- The company has not been able to show sufficient evidence that the sanitation facilities for pesticide applicators have been used properly

### Root Cause Analysis (filled by organization audited):

BBF - Employees are not disciplined in using PPE

SCE - In the previous 3 days the Harvest Foreman in question had used the shoes provided by the company, due to the rainy weather factor the shoes were wet and smelly so the foreman did not immediately wash and dry them after wearing the shoes but used other shoes.

BSS SCE House :

- The lockers are still in use by the spray team, but there are several locker booths that are in a damaged/rotten condition.
- The water pump is damaged so there is no water reservoir in the tub.
- Lack of understanding due to new spray workers

Hazardous and toxic waste at BSS HOUSE :

- There are remaining materials that have been billed from the warehouse but have not been used up.
- Rain conditions that cause the material not to be fully used.

### Correction (filled by organization audited):

BBF – Provide warning letters to employees who violate the rules of not using PPE while working. Then the employee makes a statement from the employee not to repeat it again. Provide evidence of employee documentation using PPE at work. Attached documentation.

SCE – Gives a letter of warning to the harvest foreman who makes excuses for not using and maintaining PPE properly. Show proof of handover of shoes in May 2022 which have been given to all employees. Attached documentation.

BSS SCE House

Show evidence of the following follow-up:

- BSS home documentation used by spray employees
- Memo that all SCE spray employees are required to use the BSS house and its socialization
- Re-training for new BSS employees "
- Providing SOP socialization at BSS's house to spray employees.
- Show the documentation of the BSS house used by the spray team.
- Check the list of BSS home equipment.
- Attached documentation.

Waste Hazardous And Toxic Materials In The Rinse House

Show evidence of the following follow-up:

Returning pesticides in the chemical warehouse when they are not used up in the field (Documents for returning materials to the warehouse)

#### **Corrective Action** (filled by organization audited):

BBF – Take the following precautions:

- Safety briefing and PPE check list before work by an assistant
- Inspection on PPE safety monitoring by Safety Officers and staff

SCE – Take the following precautions:

- The assistant/foreman carries out a daily PPE checklist before work to ensure the condition of the PPE used is in good or damaged condition, for example shoes.
- Deliver socialization to employees in the form of safety briefings regarding always using the PPE provided by the company.

rinse house SCE

Take the following precautions:

- More training for the spray foreman to understand his duties and responsibilities as a foreman.
- The assistant in charge of the rinse house periodically checks the BSS facilities.
- Make monitoring/attendance for all spray employees entering/leaving the rinse house.
- Dissemination of Complaint SOP to the BSS Foreman and employees to always pay attention to the existing infrastructure at the rinse house.

Hazardous and toxic waste at Rinse House

Take the following precautions:

- Make a bill of materials requisition enough for one day's work.
- Make an internal manager memo regarding controlling the use of pesticides and socialize it.
- Conduct socialization of Rinse house SOPs so that they can be implemented properly.

#### **Assessor Evaluation and Conclusion** (filled by auditor):

##### **Verification on September 13, 2022**

The company shows evidence of improvement in the form of:

- A warning letter for employees who do not use PPE and a statement not to repeat the act.
- Documentation of the use of PPE by employees at Bebunga Mill, Bakau Estate and Sungai Cengal Estate.
- Proof of checking PPE for example on Bebunga Mill which was carried out on August 29, 2022 at maintenance locations,

processes, laboratories, etc.

- Internal office mail regarding the reaffirmation of the use of the Rinse House SCE with No. 026/Intern/VIII/2022 addressed to all assistants.
- Minutes of BSS home improvement at SCE such as filling water in tubs, repairing lockers and repairing chemical water traps.
- Socialization of BSS SOP to employees and spray foreman.

Based on the corrective action and preventive action documents submitted, discrepancies in this indicator are declared fulfilled by observation in the next assessment.

**Verified by** : **Kiki Fadli/Haikal Ramadhan K**

<b>NCR No.</b>	<b>2022.04</b>	<b>Issued by</b>	<b>Kiki Fadli/Haikal Ramadhan K</b>
<b>Date Issued</b>	<b>27 Agustus 2022</b>	<b>Time Limit</b>	<b>24 November 2022</b>
<b>NC Grade</b>	<b>Major</b>	<b>Date of Closing</b>	<b>13 September 2022</b>
<b>Standard Ref. &amp; Requirement</b>	<b>7.2.7 Storage of all pesticides in accordance with recognized best practices</b>		
<b>Evidence observed (filled by auditor):</b>			
<ul style="list-style-type: none"> <li>• Based on the field visit at BSS house, Sungai Cengal Estate, it is known that there are pesticide storages such as metaprima, kenrane, prima up, achepate, and explore. Pesticides are placed on the floor and without material information, without the hazardous and toxic waste symbol and without pallets</li> <li>• The pesticide packaging storage procedure Number 01/KSP-Pestisida/10/2020 which explains as follows: <ul style="list-style-type: none"> <li>- In point 5.2, pesticides must be stored in a safe place (locked warehouse), separate from fertilizers, foodstuffs, and water sources.</li> <li>- In point 5.3, each type of pesticide must be placed separately according to its respective group, namely herbicides, fungicides, rodenticides and insecticides.</li> </ul> </li> <li>• Government Regulation No. 74 of 2001 concerning the management of hazardous and toxic materials which states that: <ul style="list-style-type: none"> <li>- Article 14 states that every hazardous and toxic waste produced, transported, circulated and stored must be packaged according to its classification.</li> <li>- In article 15 point 1, each hazardous and toxic waste packaging must be given a symbol and label and is equipped with a Material Safety Data Sheet.</li> </ul> </li> </ul>			
<b>Non-Conformance Description (filled by auditor):</b>			
The company has not been able to show that all pesticides have been stored according to the established procedures			
<b>Root Cause Analysis (filled by organization audited):</b>			
Pesticides are stored in the BSS house because the spray foreman does not understand how to store the remaining unused materials.			
<b>Correction (filled by organization audited):</b>			
Conduct socialization to foremen and spray employees about handling chemicals according to SOP.			
<b>Corrective Action (filled by organization audited):</b>			
<p>Make a receipt of sufficient material requisition for one day's work.</p> <p>Make an internal manager memo regarding controlling the use of pesticides and socialize it.</p> <p>Socializing the BSS house SOP so that it can be run properly.</p>			
<b>Assessor Evaluation and Conclusion (filled by auditor):</b>			
<b>Date Verification 13 September 2022</b>			
The company shows evidence of improvement in the form of:			
1. Internal office mail regarding confirmation of hazardous and toxic waste to the BSS SCE team with No. 026/Intern/VII/2022			

which states that it is not allowed to bring ex-pesticide packaging to the house and requires employees and spray foreman to use complete PPE.

2. Socialization of hazardous and toxic waste to spray employees followed by pesticide applicators and foremen.
3. Minutes of return/placement of pesticides from BSS house to pesticide storage warehouse.

Based on the corrective action and preventive action documents submitted, the non-conformance in this indicator is **declared to be fulfilled**.

**Verified by** : Kiki Fadli/Haikal Ramadhan K

<b>NCR No.</b>	<b>:</b>	<b>2022.05</b>	<b>Issued by</b>	<b>:</b>	<b>Arief Tajalli</b>
<b>Date Issued</b>	<b>:</b>	<b>27 Augustus 2022</b>	<b>Time Limit</b>	<b>:</b>	<b>Next Assessment</b>
<b>NC Grade</b>	<b>:</b>	<b>Minor</b>	<b>Date of Closing</b>	<b>:</b>	<b>15 September 2022</b>
<b>Standard Ref. &amp; Requirement</b>	<b>:</b>	<b>7.3.1</b> <b>A waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous characteristics, is documented and implemented in accordance with applicable laws and regulations.</b>			

### Evidence observed (filled by auditor):

Based on the results of document verification and field visits in several locations, the following information was obtained:

#### Hazardous Waste Management

- Observations at the Bebunga POM Hazardous Waste Temporary Storage Warehouse are seen in full condition, the Logbook for recording data in and out of waste contained in the warehouse was also last updated in 2019.
- The company can show Logbook documents for the period January – August 2022 in the form of digital recapitulation, as well as manual logbooks for the period August 2022. However, in the document there is information that is out of sync, for example for waste used oil in the digital logbook, the last stock is written as much as 1,656 Kg, while for the manual Logbook written 4,480.5 Kg. In addition, the data for entering and leaving medical waste has not been shown.
- The results of the verification of digital logbook data for used chemical packaging show that waste data enters only in January, March and August 2022. When referring to the date of the last transportation based on the Manifest document, it shows that the last transportation was carried out on March 31, 2022. Based on this, there is an indication that hazardous waste is stored not in a licensed warehouse, with a period of more than 90 days.
- Based on the verification of the document “Monitoring Pesticide Usage 2022” showing a fairly large amount of pesticide use, field observations also show that the company is carrying out replanting activities that are evenly distributed throughout the Estate, thereby increasing the use of pesticides. However, the results of the verification of the source data for used chemical packaging waste in the Logbook only came from Bebunga Estate, while there were none for Bakau Estate and Sungai Cengal Estate. Related to this, the results of field observations in the Division 3 Warehouse area, Sungai Cengal Estate showed that many used chemical packaging were stored not where they should be. Based on this, there is an indication that not all chemical packaging waste has been stored in licensed Hazardous waste storage.
- It was found that hazardous waste was reused, such as used oil stored in drinking water containers (without labels), as well as oil drums and pesticide jerry cans used for water storage.
- Based on the results of field observations in all sample locations, it was found that there were quite a number of former fertilizer sacks scattered in ditches and roads.

#### Domestic Waste Management

- There is a lot of domestic waste/waste in the housing area of employees and contractors (Sungai Cengal Estate) Pondok 2, and from the sample locations it was also found that there were domestic waste burning activities.
- The results of interviews with management and field observations obtained information that the form of domestic waste management carried out by the company was open dumping or open dumping of waste (without holes), however, the company



could not explain the process of destroying the waste.

Related to the above, the company has made several direct improvements such as collecting hazardous waste at Hazardous waste storage, equipping satellite Hazardous waste storage with alarms, and so on. However, the company has not been able to pinpoint the root of the problem and corrective actions related to it. In addition, hazardous waste management has also become a non-conformance in the ASA 1.2 assessment and has been declared Close in ASA 1.3. However, during the onsite audit of ASA 1.4 + RC the same non-conformity was found.

Based on the information above, several evidences of non-compliance were obtained when referring to the applicable procedures and laws, including:

- SOP Number 01/KSP-Pestisida/10/2020 concerning Storage of Used Pesticide Packaging Waste
- SOP Number 040/LMR-PL3/C9 concerning Hazardous and non-hazardous Waste Management
- Decree of the Head of Bapedal Number 3 of 1995 concerning Technical Requirements for Hazardous waste Management
- PP RI Number 101 of 2014 concerning Management of Hazardous and Toxic Waste
- PP RI Number 74 of 2001 concerning Management of Hazardous and Toxic Materials
- PP RI Number 81 of 2012 concerning Management of Household Waste and Similar Waste
- PermenLHK Number 12 of 2020 concerning Storage of Hazardous and Toxic Waste

### Non-Conformance Description (filled by auditor):

Based on the evidence obtained, this is a non-conformity because the company has not been able to implement waste management as regulated in company procedures and applicable laws and regulations, as well as consistency in waste management.

### Root Cause Analysis (filled by organization audited):

#### Hazardous waste Management.

- Hazardous waste shipments in the form of used pesticide packages from the Estate in 2022 increased.
- Update logbooks in the form of books that have been made in 2021 – 2022 are brought to the office to be updated, so the 2019 logbooks are still left in the warehouse.
- Has not been given a manual logbook that has been updated. Waste comes out to the auditor
- Have not submitted the medical waste logbook to the auditor.
- Workers does not understand that there is no storage that exceeds >90 days at the Hazardous waste Satellite storage in the estate unit so that waste is stored for a long time (>90 days) in the Hazardous waste Satellite Warehouse.
- The Hazardous waste logbook update has not been sent to the auditor.
- There is still a lack of understanding of employees regarding the risk of potential hazards from the use of ex-Hazardous waste as a place for drinking water consumption and other water storage areas.
- Supervision control is still weak in terms of the management of ex-fertilizer sacks where many are still found scattered on Collection Road and Main Road.
- Monitoring in and out of ex-fertilizer sacks has not been carried out consistently.

#### Domestic waste management

##### SCE

- The area that contains a lot of domestic waste is the former house of an employee who has moved to Pondok 1
- Many of the employees of cottage 2 have moved to cottage 1, and in September they will all be transferred to Pondok 1. So that the perception or perception of employees arises not to take care of cottage 2 anymore.
- Lack of understanding of replanting contractor employees regarding the prohibition of burning waste in the company's environment.

##### BKE

- The trash can have not been put into the garbage pit because the schedule for making the trash can is not yet full, but the trash is full.

### Correction (filled by organization audited):

#### Hazardous Waste Management.

Take the following corrective actions:

- Update Logbook until August 2022.
- Manual Hazardous Waste Logbook Update
- Submitting a Medical Waste Logbook
- Submitting a recapitulation of Hazardous Waste storage in the Hazardous Waste Satellite warehouse for no more than 90 days.
- Delivering an update on the Hazardous Waste Logbook that has been written Hazardous Waste from the Estate
- Re-socialization of Hazardous Waste and not Hazardous Waste SOPs and Hazardous waste storage areas to safety officers and staff.
- Replacement of bottled drinking water using a more suitable drinking water container (gallons).
- Replacement of Ex Oil Drum with Tank Profile for water storage in Nursery.
- Sacks of ex-fertilizer are not hazardous waste.
- Fertilizer sacks scattered in MR and CR have been moved to the BMS Warehouse.
- SOP for handling fertilizer sacks
- Attached documents.

### Domestic waste management

Take the following corrective actions:

#### SCE

- Make a trash hole
- Make a garbage dump and clean up burn marks
- Schedule for domestic waste disposal
- The word **Landfill** is placed around the garbage pit.
- Safety briefing/socialization to employees and contractors for handling domestic waste and not burning waste in the company environment.

#### BKE

- Push the trash into the trash pit.
- Close the garbage that is full
- Create a new trash hole for the next trash can.
- Provide signboards and directions to the trash
- Make monitoring of waste transportation faster than the previous schedule.
- Attached documents.

### Corrective Action (filled by organization audited):

#### Hazardous Waste Management.

Take the following precautions:

- Monitoring is made every month by checking by the Head of Department, Sr. Assistant and Manager
- Each logbook must go through the verification of the Head of Office and Sr. Assistant known to manager by initial
- Sticking the medical waste logbook in Hazardous Waste's warehouse
- Submitting SOPs for handling Hazardous waste in satellite warehouses may not be more than 90 days.
- Each logbook must go through verification and senior assistants are known by the manager with initials
- Sticking the medical waste logbook in Hazardous Waste's warehouse
- Monitoring of ex-Hazardous Waste (Used Oil Drums, Ex-Solar/Oil Filters, Battery Battery, Ex-Chemical Packaging) from the point of discharge (Warehouse) to the Hazardous Waste Warehouse is up to date so that no traces of Hazardous waste packaging are scattered/not monitored in. to the hazardous waste warehouse.
- Fulfilling the need for facilities and infrastructure to avoid reuse of former Hazardous waste, especially as a reservoir for consumption water, a reservoir for water both in the field and in the residential environment.
- Routine socialization regarding the potential risks of using Hazardous waste (environmental pollution, endangering the environment, health, human survival and other living creatures)
- Memo issued from Estate Manager regarding the management of former fertilizer sacks.
- Socialization to the BMS Supervision/Foreman to carry out instructions according to the issued Memo.
- Attached documents.

**Domestic waste management**

Take the following precautions:

**SCE**

- Conduct briefings to employees and contractors. Memo is not allowed to throw garbage in the wrong place other than in its place, not to burn garbage.
- Make and install a signboard prohibiting littering and burning garbage in residential areas.

**BKE**

- Monitoring the transportation and landfilling of the final waste bin. Attached document.

**Assessor Evaluation and Conclusion (filled by auditor):**
**Auditor Verification (15 September 2022):**

The company has made improvements from the results of field findings as evidenced by several documents, including:

- 7.3.1 BBE Documentation of repair of the Fertilizer Sack, in the document there is evidence of improvement and justification related to field observations. The document also attaches a Memo from the Estate Manager regarding the management of used fertilizer sacks and proof of the minutes of socialization to the BMS Supervision to carry out instructions according to the Memo that has been issued.
- 7.3.1 BBE Documentation of Hazardous Waste repair, in the document there is evidence of improvement and justification in the form of minutes of socialization regarding the definition of Hazardous Waste, potential hazards of former waste and socialization of Hazardous Waste storage areas. The company has also replaced drinking water packaging using a more suitable drinking water container (gallons) and replaced the former Oil Drum with a Tank for water storage in the Nursery.
- 7.3.1 BBF Repair documentation - Hazardous Waste and Hazardous Waste warehouse, in the document there is evidence of improvement and justification in the form of updating the manual logbook until August 2022 and submitting the medical waste logbook, as well as recap of the calculation of incoming waste < 50 kg per day.
- 7.3.1 BBF Repair documentation – Logbook, in that document contains a policy that currently all Logbooks must go through a Senior Assistant verification and be known to the manager as well as evidence that the waste logbook has been updated in the Hazardous Waste Warehouse.
- 7.3.1 BBF Hazardous Waste logbook, which contains evidence that the Logbook has been updated with the latest data.
- 7.3.1 BBF clinical waste logbook to BBF, which contains evidence that the Logbook is included with medical waste.
- 7.3.1 BBF Hazardous Waste Balance 2022, which contains the latest waste data for 2022.
- 7.3.1 BKE Landfill follow-up, which shows that the Landfill has been repaired, and that domestic waste that is scattered outside the Landfill area has been stockpiled.
- 7.3.1 SCE Pondok 2 Domestic Waste, which shows evidence that there has been a thorough improvement in the Pondok 2 area by cleaning the area from domestic waste and former burning activities. Also attached is evidence of the socialization activities that were submitted to the Contractor on August 25, 2022.

In addition to the proof of repair, the company has also provided supporting documents that can be proven, including:

- 7.3.1 Update on SOP for the Management of Ex-Fertilizers and Plastics of Ex-Fertilizers.
- 7.3.1 Update SOP for Hazardous and Non-Hazardous Waste Management.
- 7.3.1 Evidence of Socialization of Hazardous and Non-Hazardous Waste management in Bebunga POM area.
- Memo from Estate Manager regarding the management of used fertilizer sacks.

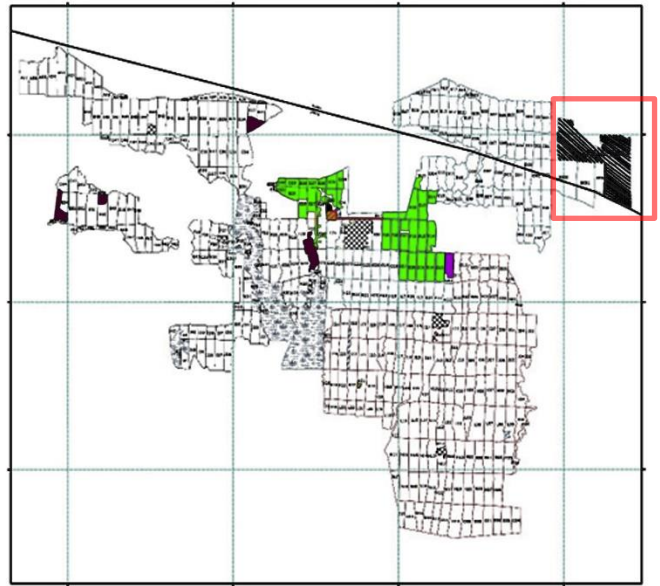
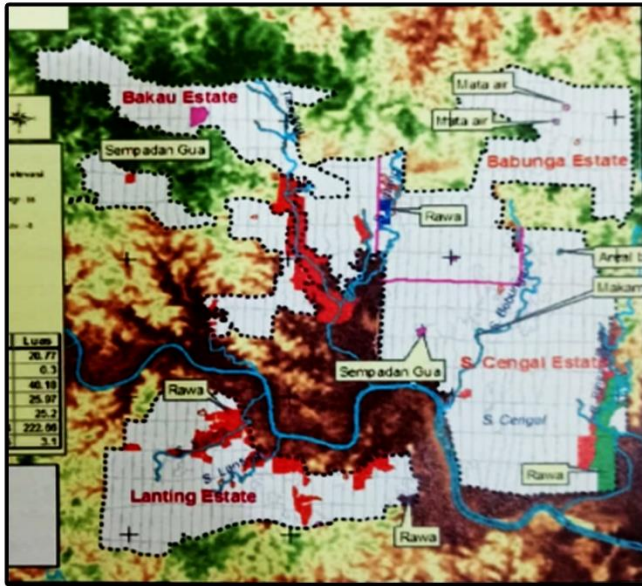
Based on all the evidence of improvement that has been shown, the **non-conformity has been fulfilled by Observation.**

**Verified by** : **Arief Tajalli**

<b>NCR No.</b>	<b>: 2022.06</b>	<b>Issued by</b>	<b>: Arief Tajalli</b>
<b>Date Issued</b>	<b>: 27 August 2022</b>	<b>Time Limit</b>	<b>: 25 November 2022</b>

NC Grade	:	Major	Date of Closing	:	7 November 2022
Standard Ref. & Requirement	:	7.12.4 HCV and HCS forest after 15 November 2018, peatlands and other conservation areas that have been identified, protected and/or enhanced. Integrated management plans to protect and/or enhance HCV and HCS forest, peatlands and other conservation areas are developed, implemented and adapted where necessary, and complemented by monitoring requirements. The integrated management plan is reviewed at least once every five years. The integrated management plan is developed in consultation with relevant stakeholders and covers areas that are directly managed and takes into account the relevant wider landscape level (if such landscapes have been identified).			
Evidence observed (filled by auditor):					
Based on the results of document verification and field visits at several locations, the following information was obtained:					
<div>1. Based on the documents resulting from the 2009 HCV study, information was obtained that there were 2 HCV classifications namely the actual HCV area of 338.18 Ha which must be managed and the potential HCV area of 1,382.82 Ha which is recommended to be managed. For the actual HCV areas, all of them are inside the HGU, while for the potential HCV areas they are inside and outside the HGU area. However, based on the results of field observations and document verification, it shows that the HCV conditions managed by the company are not in accordance with the documents resulting from the 2009 HCV study because not all Actual and Potential HCV areas have been managed by the company. HCVs that are currently being carried out, maps and areas of realized HCVs that are managed, as well as areas of HCVs included in the scope of certification.</div> <div>2. The company has not been able to show an integrated management plan document that has been reviewed at least once in five years which has been developed in consultation with relevant stakeholders. This is considered quite important because the actual conditions in the field for several potential HCV locations according to the results of the 2009 HCV study have been identified by the company as enclave and/or occupation areas. The results of field observations in the HCV area in Bakau Estate Field A021, Block E50 show that the enclave area is still forest, so the potential threat of clearing HCV areas is quite high considering other potential HCV areas located in swamps and inundated areas have already been cleared by Public.</div> <div>3. Based on the analysis of the results of the 2009 HCV study documents, the scope of the document review refers to HGU No. 12 of 1997 and HGU No. 04 of 1998 with a total area of 16,361.77 Ha. However, when referring to the operational map and satellite imagery, it shows that there is an area of the company that is included in the scope of certification but is not included in the scope of the HCV study, namely Division 4, Bebunga Estate with an area of 628.98 ha. This is due to the fact that the area only had HGU in 2019. The following is a comparison map between the scope of certification and the map resulting from the HCV study, including:</div>					
Map of HCV 2009 study			Map of PT LMR operational		





### Non-Conformance Description (filled by auditor):

Based on the evidence obtained, this is a non-compliance because the company has not been able to demonstrate several things, including:

- Justification regarding the determination of HCV management that is currently being carried out
- Map and extent of managed HCV realization
- the extent of HCV included in the scope of certification
- Management plan that has involved relevant stakeholders.
- Results of the HCV assessment for the scope of Division 4, Bebunga Estate.

### Root Cause Analysis (filled by organization audited):

1. Determination of the area and subject of HCV determined by the plantation is not appropriate because there has been no review regarding the determination by the plantation unit, resulting in a non-conformity between the HCV studied by Yasbi and the HCV area by each plantation unit.
2. The map did not match the field conditions because when conducting the study Yasbi used a map made by the plantation using the Excel program so that the location of the HCV could be shifted.
3. The management plan has not yet been submitted because the village is experiencing a change in village head elections from June to August 2022, so the village administration has not yet provided a definite schedule for conducting an HCV review with the village.
4. The BBE Division 4 area has not been included in the study because the area was still under community control from 2007 to 2014. After completion, Division 4 was split into nucleus estates and KKPA details in the attached document.

### Auditor Verification (6 September 2022):

The root of the problem has been accepted.

### Correction (filled by organization audited):

#### Submitting to the auditors:

1. Submit the actual HCV Map managed in the Yasbi review HCV assessment.
2. Submitting the determination by management of the HCV area that is included in the scope of certification according to the actual that there is justification for the determination of HCV.
3. Submit a management plan that has involved the village community according to the results of discussions with the village community.
4. Submit a review of the Yasbi HCV report to DIV 4 BBE.
5. Attached document.

**Auditor Verification (6 November 2022):**

The root of the problem has been accepted.

**Corrective Action (filled by organization audited):**

Keeping the fulfillment document by RSQM and always coordinating with SQM team regarding HCV issues.

**Auditor Verification (6 November 2022):**

The root of the problem has been accepted.

**Assessor Evaluation and Conclusion (filled by auditor):**
**Auditor Verification (15 September 2022):**

1. The company shows documents of Final HCV review results, these documents are different from those verified by the auditor during the audit. However, when referring to the HCV document that was sent, the table is shown as follows:

NKT /Potensi NKT	Luas (Ha)	Persen (%)
NKT 1	87.66	0.54%
NKT 1 dan NKT 2	3.49	0.02%
NKT 1 dan NKT 3	6.75	0.04%
NKT 1, NKT 2, NKT 4 dan NKT 5	586.00	3.58%
NKT 1, NKT 2, NKT 3, NKT 4 dan NKT 5	39.02	0.24%
NKT 1, NKT 3, NKT 4 dan NKT 5	421.69	2.58%
NKT 1, NKT 4 dan NKT 5	105.14	0.64%
NKT 4 dan NKT 5	9.96	0.06%
NKT 6	0.30	0.002%
<b>Total luas NKT/Potensi NKT*</b>	<b>1,260.01</b>	<b>7.70</b>
<b>Luas Areal PT. Langgeng Muaramakmur</b>	<b>16,361.77</b>	

The table states that the scope of the HCV study is 16,361.77 Ha or equivalent to the area of the 1997 HGU + 1998 HGU. And the 2019 HGU is not included in this area. HGU 2019 is HGU owned for Division 4 Bebunga Estate. This is the basis for the findings, and the table actually strengthens the justification of the audit findings and is irrelevant when used as evidence of improvement. The area is also the same as the document used by the auditor when conducting field verification.

2. In the NCR document it is stated that one of the findings is that the company has not been able to show the Map and extent of the HCV realization being managed. The map in question is a map of the HCV areas that are currently being managed, because during field observations, all the Estates visited had different HCV management maps (it is not clear where the reference came from because it was different from the 2009 HCV document they had). Based on this, the auditor concluded that the company does not yet have an actual HCV management map that is currently being managed by the company which is a guideline for HCV management for the entire scope of PT LMR. The map that is owned also includes areas outside the HGU which, in practice, in the field, areas outside the HGU are not managed by the company.
3. Regarding the area, the company has not been able to show how many HCV areas are included in the HGU, how much is outside the HGU, and how much can actually be managed. When referring to the document "7.12.4. Management Review and Review, Determination of PT LMR 2022 HCV Assessment" shows the following data:

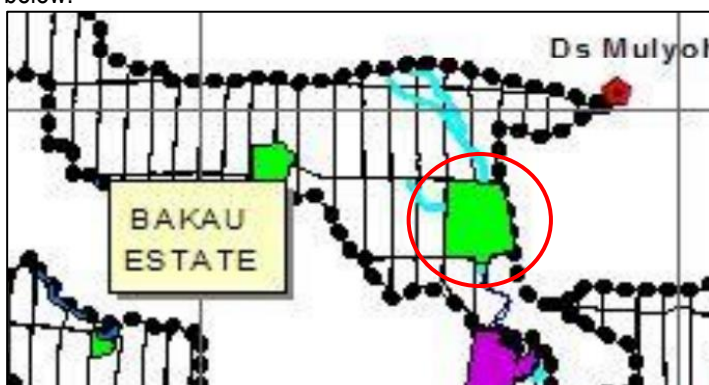


LUAS AREA PENGELOLAAN HCV PT LMR												
NO	PT	ESTATE	Berdasarkan HCV Statement Sime Darby			Per Estate	PENETAPAN BERDASARKAN KAJIAN YASBI					
			LUAS	HCV	DESCRIPTION		NKT1	NKT2	NKT3	NKT4	NKT5	NKT6
1	LMR	BERUNGA	1259.71	HCV1,2,3,4,5	Secondary forest with wildlife, conservation area, riffer buffer zone, social and cultural activity	135.67	0	0	0	135.67	0	0
2	LMR	BAKAU			561.91	0	0	0	546.11	25.2	15.8	
3	LMR	SG. CENGAL			327.22	0	0	0	319.41	3.1	7.81	
4	LMR	LANTING			286.29	0	0	0	283.49	0	2.8	
3	LMR	TOTAL				1311.09	0	0	0	1001.19	28.3	23.61

Luas total HCV berdasarkan sertifikasi RSPO adalah 1024,8 Ha  
Luas total HCV berdasarkan sertifikasi ISPO adalah 1311,09 Ha

From the above data, it is not clear where the source of the figure for 1024.8 Ha comes from, because when added together the HCV areas included in the scope of certification are only 983.87 Ha. In the table, the column "Determination Based on YASBI Study" is also not the same as the 2009 YASBI study results (first picture). And when referring to the first picture which is the result of the 2009 HCV study, it states that the company's HCV area is 1261.01 Ha and not 1311.09 Ha as the result of management's review. There is no explanation for the difference in area. The YASBI study results also include HCV areas outside the HGU, so logically, the HCV areas that are inside the HGU and can actually be managed should be smaller than the above data.

4. Apart from that, the actual conditions on the ground are different, for example for the HCV area in the Bakau Estate as shown below:



In actual conditions in the field, the area circled in red is an HCV area, but the actual condition has become replanted oil palm. Therefore, the actual condition of the HCV area which is currently being managed by the company is no longer the same as the 2009 HCV assessment document.

Based on the explanation above, the **non-conformity has not been accepted**, because the company has not been able to show the results of the identification of the HCV area for Division 4, Bebunga Estate. In addition, the company has also not been able to show data on the size of the HCV area that is actually currently being managed because according to the company's justification stated in the document "7.12.4 Justification Sheet – HCV" which explains that several HCVs in the form of forest have been claimed by the community on the grounds of it is the land of their ancestors so some parts are managed. Thus, based on this, the actual area of HCV that is currently being managed is much smaller than the results of the 2009 HCV assessment.

### Auditor Verification (6 November 2022):

The company has sent several proofs of improvement, including:

- Regarding the justification in determining the current HCV management, the map and actual area of HCV being managed, as well as the area of HCV included in the scope of certification, the company has been able to show the document DETERMINING HCV AREA BASED ON THE REVIEW OF HCV POTENTIAL BY YASBI AT PT LMR. The document shows the actual area currently managed by the company, which is 1,092.62 Ha (including the Lanting Estate) or 789.05 Ha which

is included in the scope of RSPO certification. The document also includes an actual map of the HCV areas that can be managed, so that evidence of non-compliance at this point can be fulfilled.

2. Regarding the integrated management plan document which has been reviewed at least once in five years which has been developed in consultation with relevant stakeholders. The company shows that the Minutes of LMR document cannot carry out a 5-year review. The document shows the obstacles why the activity cannot be carried out, as well as the timeline for a 5-year review, namely in December 2022.
3. Related to the fact that there is an area of the company that is included in the scope of certification but not included in the scope of the HCV study, namely Division 4, Bebunga Estate with an area of 628.98 ha. The company showed documents RIVIEW OF YASBI's HCV REPORT ON DIV 4 BBE PT LMR and DETERMINATION OF HCV AREA BASED ON RIVIEW OF HCV POTENTIAL BY YASBI AT PT LMR. The document explains the history of why division 4 was not included in the scope of the study area, the justification that the study had been carried out for a larger area, as well as the results of the latest identification of potential HCV areas carried out internally by involving the community for the specific area of division 4. Identification results This indicates that the Division 4 area does not contain any HCV areas in it.

Based on all documents submitted by the Auditee, several conclusions can be drawn, including:

4. The company has determined that the HCV management that is currently being carried out is only for the scope of the management area that is inside the HGU, while for the area outside the scope of the company's HGU which is a potential HCV area, it can no longer be managed because most of it has been managed by the community such as being a rice field area. or oil palm plantations.
5. The company also has the latest map and extent of HCV realization with the scope of HCV being included in the scope of ISPO and RSPO certification only. The scope of the HCV area is Lanting Estate 303.57 Ha; Bakau Estate 109.3 Ha; Sungai Cengal Estate 221.96 Ha and Bebunga Estate 457.79 Ha with a total area of 1092.62 Ha HCV. All potential HCV areas that are outside the scope have been excluded from the latest HCV management map.
6. Regarding the management plan that has involved relevant stakeholders, the company has a schedule that will be carried out in March 2022. However, the company's justification states that in March 2022, the conditions for carrying out activities that cause crowds are not yet allowed to anticipate Covid-19. So that the company will do it in December 2022. Related to this, it is necessary to carry out further observations on the next surveillance.
7. For the results of the HCV assessment for the scope of Division 4, Bebunga Estate, the attached documents also represent the results of the study. The auditor's considerations regarding the fulfillment of the results of the study for the scope of the Division 4 area, among others:
  - The HCV area identification activity carried out by YASBI in 2009 was a Landscape level study and was not limited to the boundaries of the HGU area owned by PT LMR, this was evidenced by the existence of potential HCV areas outside the scope of PT LMR. For Division 4 Bebunga Estate, the location is not included in a potential HCV area so that the results obtained from the internal HCV identification and by YASBI have the same result, namely there is no HCV area at that location.
  - Based on historical analysis of the location of Division 4, Bebunga Estate, information was obtained that the location has been a palm oil plantation since 2001. However, because the location was claimed by the community, the company did not manage the location, so that the process of obtaining the HGU was also hampered until finally it was new. in 2014 it was returned to the company and in 2019 it just had an HGU. This is why the area of division 4, Bebunga Estate is not included in the scope of the HCV assessment, because the HCV study was conducted in 2009.
  - Based on the land cover analysis with a timeline of 2010 – 2020, it can be concluded that there are no areas of primary or secondary forest cleared. The land cover in the entire area is only oil palm.

Based on all the evidence submitted by the company, as well as the auditor's considerations regarding the HCV area in Division 4 Bebunga Estate, it is concluded that the **non-conformity has been met by observation**.

Verified by	:	Arief Tajalli
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**3.4.4. Opportunity for Improvement**

No	Ref.Std.	Description
1	1.1.2	<p><b>Information is provided in appropriate languages and accessible to relevant stakeholders.</b></p> <p>The company has the opportunity to ensure that the mandatory information submitted to the parties is accurate. For example, for reports on the use of HGU and LKUP. In the report, the area of HGU owned by the company is 15,533 hectares, while when referring to the certificates owned by the HGU, the total area of HGU both included in the South Kalimantan and East Kalimantan areas is 16,990.74 hectares.</p>
2	2.1.1	<p><b>The unit of certification complies to relevant regulations.</b></p> <p>The company has the opportunity to ensure the process of extending the validity period of the Plantation Business Permit Re-Registration Approval which has been submitted since October 4, 2019 (Observation).</p>
3	6.1.5	<p><b>A gender committee is in place specifically to raise awareness, identify and address issues of concern, as well as opportunities and improvements for women.</b></p> <p>The company already has a Gender Committee to raise awareness, identify and deal with problems and provide opportunities for female workers, but there is no representation of male workers in the management and programs of the Gender Committee, therefore companies are encouraged to involve the representation of male workers in the activities of the Gender Committee.</p>
4	7.3.3	<p><b>The unit of certification does not use open fire for waste disposal.</b></p> <p>Based on the results of field observations, information was obtained that there were burnt marks of EFB waste in the planting block area in several estates. In relation to this, the company explained that the burning of empty coconut leaves was carried out with the aim of warming the body and repelling insects while workers were waiting at the location. Related to this, companies are encouraged to ensure that the burning activities carried out will not have an impact on the environment such as forest and land fires and a significant increase in greenhouse gas emissions.</p>

**3.4.5. Noteworthy Positive Components**

No	Description
1	The company's commitment to implementing the principles of sustainable palm oil management
2	Good cooperation with the companion team
3	Has got the ISPO certificate



**3.0 Summary of Arising Issues from Public and Auditor Verification**

Public Issues (Institution/ NGO/Community)	Auditor Verification
<p><b>Environmental Services of Kotabaru Regency</b> Based on the results of interviews with the Environment Services, information was obtained that the company has completed and completed all the required licensing requirements and routinely reports the required environmental management results according to its schedule. The company also routinely conducts training in handling forest and land fires involving the community and local agencies.</p> <p>The agency also added that the results of the field visit carried out on 2021 were carried out to ensure field conditions were as requested in the reporting. Regarding the AMDAL document he already asking to company to update the AMDAL because the document is quite old, so the results of the study are no longer relevant and the scope is still too broad (not yet specific for PT LMR),</p> <p>The informant also stated that there was never any information related to fire incidents and environmental pollution that were reported to the Service from NGOs or the surrounding community.</p>	<p>There are no issues that need to be verified further, all information obtained from the results of the interviews has been submitted to the relevant indicators.</p>
<p><b>Kotabaru District Manpower Office</b> The results of the interview revealed that:</p> <ul style="list-style-type: none"> <li>• Wage determination is in accordance with the district minimum wage.</li> <li>• There has been a contract worker record which has been notified to the Manpower Office.</li> <li>• The company has sent mandatory reports such as OHS committee &amp; work accident reports and trade union meeting activities.</li> <li>• So far, there has never been a report from the employee regarding industrial relations and so on.</li> <li>• Good communication between the company and Manpower Office.</li> </ul>	<p>There are no negative issues that need further clarification</p>
<p><b>Kotabaru District Land Office</b></p>	<p>when the public consultation was held there was no representative who could be contacted</p>
<p><b>Kotabaru District Plantation Office</b></p> <ol style="list-style-type: none"> <li>1. The company has carried out routine reporting according to schedule</li> <li>2. The company has also reported a forest and land fire prevention monitoring report</li> <li>3. The company already has a CSR program and has been reported</li> </ol>	<p>There are no negative issues that need further clarification</p>

Public Issues (Institution/ NGO/Community)	Auditor Verification
<b>BSK Cooperative</b> <ul style="list-style-type: none"> <li>The company has entered into a partnership to develop plasma plantations</li> <li>During the audit, the new partnership program has reached the mature stage</li> <li>No complaints to the company</li> </ul>	<p>There are no negative issues that need further clarification</p>
<b>Labor union</b> <p>So far, activities for association and gathering have been significantly supported by the company, for example, it is shown by providing meeting room facilities and permission to leave work if there are activities related to union consolidation.</p> <p>All employees can become union members regardless of their status, whether they are permanent employees or contract employees. Contract employees are currently employed for plant care work such as fertilizer and harvesting</p> <p>All employees have been included in the BPJS Health and BPJS Employment programs and have carried out special health checks for jobs with certain risks and periodic health checks for all employees.</p> <p>The union management holds regular meetings every 6 months and monthly meetings with members or if deemed necessary</p> <p>During the last two years there have been no issues regarding employment, including fatalities in work accidents. PPE has been provided free of charge to every worker in accordance with the results of the risk analysis. There is no intervention in the selection of management and the implementation of trade union activities</p>	<p>In general, no issues were raised by labour union representatives. Discussions on <i>BPJS</i> can be found in related indicators. As for work accidents, the results of the audit team's verification found that there was 1 work accident that resulted in death (a tractor graber accident) at BBE. The discussion on work accidents has been explained in the related indicators</p>
<b>Gender Committee</b> <p>The company actively supports the activities of the Gender Committee, for example by sending members/administrators of the gender committee to gender-related training. The last socialization that was attended was regarding the preparation of gender-based PKB on February 6, 2022</p> <p>Over the past two years there has never been an issue of sexual harassment or domestic violence. If there is a case, the first treatment is assisting and protecting the victim and communicating with the protector and the Estate Manager.</p> <p>The activities of the gender committee are carried out routinely, for example socialization on gender equality, reproductive health counseling, education on women's reproductive rights and socialization on protection from harassment which is not limited to only female workers</p>	<p>There were no negative issues conveyed by the source person</p>



Public Issues (Institution/ NGO/Community)	Auditor Verification
<p><b>Balaimea Village and Tamiang Village</b></p> <p>The relationship between the company and the surrounding community is felt to be quite good, for example as shown by the fast response when the village sends a letter and the realization of a request for assistance through a proposal. The company has also realized the development of a 109 ha plasma plantation which has so far been managed by the BSK cooperative.</p> <p>In addition, the company also attended the MUSREMBANGDES event to synergize the Village program and the social assistance that would be provided.</p> <p>Until now there has never been an issue regarding land disputes, fires, or environmental pollution issues</p>	<p>There were no negative issues conveyed by the source person</p>
<p><b>Issue from media</b></p> <p><a href="https://binpers1.com/10/2021/mediasi-sengketa-ahli-waris-keturunan-kerjaan-pt-minamas-diduga-tak-ada-data-jelas/">https://binpers1.com/10/2021/mediasi-sengketa-ahli-waris-keturunan-kerjaan-pt-minamas-diduga-tak-ada-data-jelas/</a></p>	<p>Based on the explanation from the management representative, it was stated that the results of the last meeting on October 28, 2021 did not result in any agreement and were more of a hearing activity. The company still holds on to the basis of the rights it owns, namely HGU which has been issued since 1997 and 1998.</p> <p>The management representative stated that he did not hold a copy of the letter from the Ministry of Human Rights, No.HAM 01.01-186. However, according to the company interpretation, the letter does not contain land ownership rights but a statement regarding the location of the kingdom in the village around the company.</p> <p>At the time of the assessment, confirmation with BPN could not be carried out because there was no information about the sources who were willing to give statements. Meanwhile, the results of consultations with representatives of Balaimea Village and Tamiang Village stated that so far there had never been any issues regarding land issues.</p> <p>This will become a concern for the auditor team in the next assessment to be confirmed by related parties</p>

4.0	<b>CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY</b>
4.1	<b>Formal Sign-off of Assessment Findings</b>
	<p>Hereunder sign by management representative from inspected company to acknowledge a field assessment and agree for all content explained in this assessment report, included of non-compliance findings.</p> <p style="text-align: center;">Signed on behalf of:</p> <div style="display: flex; justify-content: space-around; align-items: flex-end; margin-top: 100px;"> <div style="text-align: center;"> <p>PT Langgeng Muaramakmur Head of Sustainability &amp; Quality Management</p>  <p><b><u>Alagendran Maniam</u></b> Monday, 07 November 2022</p> </div> <div style="text-align: center;"> <p>Mutuagung Lestari Lead Auditor</p>  <p><b><u>Haikal Ramadhan Kharismansyah</u></b> Monday, 07 November 2022</p> </div> </div>

**Appendix 1. List of Stakeholder Contacted in the RSPO Certification Process**

No	Institution/ NGO/ Community	Address	Phone/ Email	Form of Communication	Date of Contact	Response	
						Yes	No
1	Plantation Agency	Kotabaru District	-	Phone	23 August 2022	✓	
2	Environmental Agency	Kotabaru District	-	Phone	27 August 2022	✓	
3	Manpower Agency	Kotabaru District	-	Phone	23 August 2022	✓	
4	National Land Agency	Kotabaru District	-	Phone	23 August 2022		✓
5	Bina Swadaya Karya cooperative	Kotabaru District	-	Phone	23 August 2022	✓	
7	WALHI	Indonesia	informasi@walhi.or.id	Questionnaire via email	16 August 2022		✓
8	WWF	Indonesia	wwf-indonesia@wwf.or.id	Questionnaire via email	16 August 2022		✓
9	AMAN	Indonesia	rumahaman@cbn.net.id	Questionnaire via email	16 August 2022		✓
10	Sawit Watch	Indonesia	info@sawitwatch.or.id	Questionnaire via email	16 August 2022		✓
11	<b>Bebunga Mill:</b> <ul style="list-style-type: none"><li>Grading 2 workers</li><li>Boiler 3 workers</li><li>Sterilizer 2 workers</li><li>Engine Room 1 worker</li><li>Press 1 worker</li></ul>	PT LMR	-	Direct interview	23 August 2022	✓	
12	<b>Bakau Estate</b> <ul style="list-style-type: none"><li>Harvesting 2 workers</li><li>Fertilization 3 workers</li><li>Spraying 10 workers</li><li>Storage 2 workers</li><li>Workshop 3 workers</li></ul>	PT LMR	-	Direct interview	24 August 2022	✓	
13	<b>Sungai Cengal Estate</b> <ul style="list-style-type: none"><li>pesticide applicator</li><li>4 Manual upkeep officers</li><li>3 Harvester</li><li>4 Racking officer</li></ul>	PT LMR		Direct interview	24 August 2022		
14	<b>Bebunga Estate</b> <ul style="list-style-type: none"><li>2 Harvester</li><li>1 IPM Officer</li><li>1 Nursery officer</li><li>2 Manuring officer</li></ul>	PT LMR		Direct interview	23 August 2022		
15	<b>Gender Committee</b>	PT LMR		Direct interview	25 August 2022	✓	
16	<b>Worker Union</b>	PT LMR		Direct interview	25 August 2022	✓	
17	<b>Tamiang and Balaimea Village</b>	Kotabaru District		Phone	25 August 2022	✓	

**Appendix 2. Assessment Program**

DATE	22 - 27 August 2022	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
<b>Monday, 22 August 2022</b>		
06.00 – 09.15 09.30 – 15.30	<ul style="list-style-type: none"> <li>Jakarta → Balikpapan</li> <li>Balikpapan → Site</li> </ul>	All Auditor
16.00 – 17.00	<b>Opening meeting (Online)</b> <ul style="list-style-type: none"> <li>Auditee Speech (Introduction of PIC, Profile of Certified Management Unit)</li> <li>Auditor Team Speech (Introduction, Audit Objective, Audit Scope, Audit Plan Discussion, Determine of Audit Sample, Transparency and Confidentiality Clarification)</li> </ul>	All Auditor
<b>*Quarantine Day-1 (17.00 until next day)</b>		
<b>Tuesday, 23 August 2022</b>		
08.00 – 12.00	<ul style="list-style-type: none"> <li><b>Public Consultation :</b> <ul style="list-style-type: none"> <li>Government Agency of Kotabaru</li> <li>Gender Committee, Contractor, Worker Union, Village Representatif, Previous Land Owner, etc</li> <li>FFB Supplier, Scheme smallholder</li> </ul> </li> <li>Document review</li> <li>Verification of Basic Information Mill and Estate</li> </ul>	HRK/KKF
08.00 – 12.00	<b>Field Observation to Bebunga Estate</b> Aspect to be verified : <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li> <li>Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> <li>Implementation of Occupational Health &amp; Safety Aspect</li> <li>Implementation of Employment Procedure and Mechanism Aspect</li> <li>Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul>	NAI/ART
12.00 – 14.00	<b>Break</b>	
14.00 – 16.00	<b>Field observation to Bebunga POM and Bulking</b> <ul style="list-style-type: none"> <li>Supply Chain verification (FFB Receiving, Weighbridge, FFB Sorting, Processing Activity, Despatch CPO)</li> <li>Occupational Health &amp; Safety Aspect (Inspection to Chemical Storage, Hazardous Waste Storage, Fire Control Simulation, POME Pond)</li> <li>Implementation of Employment Procedure and Mechanism Aspect</li> </ul>	All Auditor
16.00 – 16.30	Presentation of Daily Progress	All Auditor
<b>Wednesday, 24 August 2022</b>		
08.00 – 12.00	<b>Field Observation to Sungai Cengal Estate, Bakau Estate, and Lanting Estate</b> Aspect to be verified : <ul style="list-style-type: none"> <li>Implementation of Legal Aspect (Land Ownership, Legal Boundaries);</li> </ul>	All Auditor

DATE	22 - 27 August 2022	
PLANNED TIME	PROCESSES / CLAUSES TO BE AUDITED	AUDITOR
	<ul style="list-style-type: none"> <li>- Implementation of Agronomy Aspect (Harvesting &amp; Transportation, Manuring, Pesticides Application, Road Maintenance, Biological Control Monitoring, EFB Application)</li> <li>- Implementation of Environmental, Conservation/HCV and Waste Management Aspect (Inspection to Chemical Storage, Fertilizer Storage, Hazardous Waste Storage, Fire Control Facilities, Waste Management)</li> <li>- Implementation of Occupational Health &amp; Safety Aspect</li> <li>- Implementation of Employment Procedure and Mechanism Aspect</li> <li>- Observation of Workers Facilities (Housing, School, Worship Place).</li> </ul>	
12.00 – 14.00	• <b>Break</b>	<b>All Auditor</b>
14.00 – 16.00	<ul style="list-style-type: none"> <li>• Document review and completing audit checklist.</li> <li>• Verification of stakeholder consultation result and field visit.</li> </ul>	<b>All Auditor</b>
16.00 – 16.30	• Presentation of Daily Progress	<b>All Auditor</b>
<b>Thursday, 25 August 2022</b>		
08.00 – 12.00	<ul style="list-style-type: none"> <li>• Document review and completing audit checklist.</li> <li>• Continuing public consultation and field observation (If needed)</li> <li>• Verification of stakeholder consultation result and field visit.</li> </ul>	<b>All Auditor</b>
12.00 – 14.00	<b>Break</b>	<b>All Auditor</b>
14.00 – 16.00	<ul style="list-style-type: none"> <li>• Document review and completing audit checklist.</li> <li>• Continuing public consultation and field observation (If needed)</li> <li>• Verification of stakeholder consultation result and field visit.</li> </ul>	<b>All Auditor</b>
16.00 – 16.30	• Presentation of Daily Progress	<b>All Auditor</b>
<b>Friday, 26 August 2022</b>		
09.00 – 10.00	<b>Closing Meeting</b> <ul style="list-style-type: none"> <li>• Presentation of audit findings (Noteworthy Positive Component, Non-Conformities, OFI, Timeline of CAR's, Conclusion).</li> <li>• Comments, Responses and Questions</li> </ul>	<b>All Auditor</b>
10.00 – 17.00	Site → Balikpapan	<b>All Auditor</b>
<b>Saturday, 27 August 2022</b>		
12.40 – 13.50	Balikpapan → Jakarta	<b>All Auditor</b>